

## A LETTER FROM OUR CHAIRMAN



### Dear Shareholder,

I'm pleased to write to you with details of this year's Annual General Meeting, which is to be held at Enbrook Park, Sandgate, Folkestone CT20 3SE on Monday 22 June 2020 at 11.00am. The formal Notice of the AGM together with the explanatory notes is attached.

Saga plc's AGM is a vital feature in the corporate calendar and provides the Board with a valuable opportunity to consult with shareholders. However, the COVID-19 situation will clearly impact the ability of shareholders to attend it. The Board has been closely monitoring the ongoing developments surrounding COVID-19, and it has unfortunately been necessary to take extra precautions. The wellbeing of Saga's employees and shareholders is of the utmost importance to the Board, and so we have regrettably taken the decision to ask shareholders not to attend this year's AGM. The Board encourages shareholders to submit their Forms of Proxy/Direction as early as possible, to enable your vote to be counted, and to follow all Government guidance and requirements.

In light of the current Stay at Home measures, there will be only two shareholders present in person to ensure a quorum is formed. The Company has already identified these two shareholders and therefore no other shareholder or their proxy, will be permitted access to the AGM or the AGM location. All other shareholders are asked to attend

electronically instead. We have taken steps to enable our shareholders to participate in the AGM electronically (the instructions on how to do this are set out on pages 17-18 of the attached Notice of AGM). This decision was not taken lightly, but our hope is that this solution will provide the best possible opportunity to participate in the proceedings of the meeting without attending in person.

The Notice of AGM and voting forms contain all the necessary details for joining, voting and asking questions at the meeting.

The Board asks shareholders to provide any questions and to vote by proxy in advance of the meeting. Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy, as this will ensure that votes are cast in accordance with your wishes, given that the restrictions currently set out by our Government prevent either you or any other person you might appoint as your proxy from attending the meeting in person.

The Board unanimously agrees that all resolutions set out in this Notice of AGM are in the best interests of the Company and its shareholders, and therefore recommends that shareholders vote in favour of all resolutions.

We are very grateful for your cooperation and understanding as we navigate what is a very unusual situation for us all.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Patrick O'Sullivan'.

**Patrick O'Sullivan**  
Chairman of Saga plc

### Saga plc

Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

Saga plc is registered in England & Wales No: 08804263.

Registered Office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

# Saga plc Annual General Meeting

22 June 2020

## **ATTENTION: COVID-19 MEASURES**

Due to COVID-19 and in light of the Government's current prohibition on non-essential travel and public gatherings, we have put in place measures to allow shareholders to view the AGM proceedings remotely. Shareholders are asked not to attend the AGM in person this year. Instead, shareholders are strongly encouraged to join the AGM electronically and vote on all resolutions online or by completing a proxy appointment form appointing the Chairman of the Meeting as proxy.

The logo for SAGA, featuring the word "SAGA" in a bold, blue, sans-serif font. The letter "A" is stylized with a blue triangle pointing to the right, and the second "A" is also stylized with a blue triangle pointing to the right.

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, we recommend you seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Saga plc, please send this document at once to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

# About the AGM

## **Please read the following information if you are planning to attend the AGM by electronic means.**

The AGM begins at 11:00.

### **About the AGM**

The resolutions set out on pages 3 to 5 will be considered at the AGM. You will be asked to vote on each of these resolutions. Voting on each resolution will be conducted by way of a poll.

### **Electronic Attendance**

You may attend the AGM online using your smartphone, tablet or computer. If you choose to participate online, you will be able to view a live webcast of the meeting, ask the directors questions and submit your votes in real time.

To join the meeting electronically, you will need to either:

- a) Download the Lumi AGM app from the Apple Store or Google Play Store by searching for "Lumi AGM"; or
- b) Visit <http://web.lumiagm.com> from your device.

To log in to the meeting, you must have the meeting ID and your unique login ID and your PIN code (which can be found on your notification correspondence) to hand. The meeting ID is:

**133-651-038**

Additional details of how to attend the AGM electronically are set out on pages 16-17.

### **Asking questions at the AGM**

Any shareholder attending the meeting is eligible to ask questions. If you wish to ask questions at the meeting, please do so by entering your question in the chat box through the Lumi app or website. Shareholders can also submit questions to the Board in advance of the AGM by writing to the Group Company Secretary at Saga, Enbrook Park, Sandgate, Folkestone CT20 3SE, by calling Saga Shareholder Services on the following number: 0800 015 5429 or by signing into the Lumi app or Lumi website ahead of the meeting using the meeting ID and your unique log in and PIN code, then selecting the message icon and submitting a question in the text field. The portal will be open until Thursday 18th June 2020 to submit questions.

### **Do you have any other questions about the AGM?**

Call Saga Shareholder Services on 0800 015 5429 or write to us at Saga Shareholder Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

## **ATTENDING THE AGM**

### **Note on COVID-19**

Due to ongoing uncertainties caused by the COVID-19 outbreak, we have put in place measures to allow shareholders to view the AGM proceedings remotely.

Shareholders are asked not to attend the AGM in person this year. Instead, shareholders are strongly encouraged to join the AGM electronically and vote on all resolutions either online or by completing an online proxy appointment form appointing the Chairman of the Meeting as your proxy. Shareholders should refer to our website

**<https://corporate.saga.co.uk/investors/agm/>**

for any notifications relating to measures required for the AGM arrangements in light of the recent COVID-19 outbreak.

### **KEY DATES**

11.00am 17 June 2020	Deadline for receipt of online or postal forms of direction by our Registrar.
11.00am 18 June 2020	Deadline for receipt of online or postal forms of proxy by our Registrar.
11.00am 22 June 2020	Annual General Meeting.

### **AGM DOCUMENTS ON YOUR DEVICE**

You can view, annotate and save the Annual Report and Accounts (and other important shareholder documents) on your iPad or tablet by downloading the Signal Documents App provided by Link Asset Services. This application is free of charge and found by searching for 'Signal Documents' on the App Store or Google Play (depending on your device).

If you are generally happy to view shareholder and company documents online, please update your communication preferences (if necessary) by contacting Saga Shareholder Services or via the Saga Shareholder Services Portal, **[www.sagashareholder.co.uk](http://www.sagashareholder.co.uk)**.

### **ACTION REQUIRED**

The attached notice includes the resolutions ('Resolutions') to be discussed at the AGM. You are requested to complete and submit a Form of Proxy or Direction as soon as possible whether you intend to attend the AGM electronically or not. In any event, the Proxy instruction should reach the Company's Registrar by 11.00am on 18 June 2020 and the Form of Direction by 11.00am on 17 June 2020. Completion of a Form of Proxy or Direction will not preclude you from attending the AGM electronically by following the joining instructions set out later in this Notice. You can complete a Form of Proxy or Direction via the Saga Shareholder Services Portal.

Last year, we advised that we would no longer send paper forms (see note 19 on page 14). If you would like to request a paper Form of Proxy or Direction please contact Saga Shareholder Services.

# Notice of Annual General Meeting

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Notice is hereby given that the sixth annual general meeting ('AGM') of Saga plc (the 'Company') will be held at Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE on 22 June 2020 at 11.00 am. Due to COVID-19, shareholders are asked to attend the meeting by electronic means as set out in this Notice.

You will be asked to consider and vote on the Resolutions below. Resolutions 1 to 17 will be proposed as ordinary resolutions and Resolutions 18 to 21 will be proposed as special resolutions. The Directors believe that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole, and they unanimously recommend that you vote in favour of them as the Directors propose to do so in respect of their own shareholdings.

The Board looks forward to as many of you as possible attending electronically and thanks you for your continued support.

Capitalised terms used but not defined herein have the meanings set out in the glossary section at the end of this Notice.

## Ordinary Resolutions

### **Resolution 1:**

To receive the Company's annual report and accounts for the financial year ended 31 January 2020 together with the Directors' Report and the Auditor's Report on those accounts.

### **Resolution 2:**

To receive and approve the Directors' Remuneration Report, as set out on pages 81 to 108 of the 2020 Annual Report and Accounts.

### **Resolution 3:**

That:

- (a) the Saga plc 2020 Restricted Share Plan (the "Plan"), the principal terms of which are summarised in the Chair of Remuneration Committee's Letter and Schedule 3 attached to this Notice and the rules of which are produced at the Meeting and for the purposes of identification initialled by the Chair, be and is hereby approved and that the Directors be authorised to do all acts and things which they may consider necessary or expedient to carry the Plan into effect; and
- (b) the Directors be and are hereby authorised to establish such further plans based on the Plan or schedules to the Plan as they consider necessary or desirable but which have been modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans or schedules are treated as counting against any limits on individual or overall participation in the Plan.

### **Resolution 4:**

To receive and approve the Directors' Remuneration Policy, as attached to this Notice, which takes effect immediately after the end of the AGM on 22 June 2020.

### **Resolution 5:**

To re-elect Patrick O' Sullivan as a director of the Company.

### **Resolution 6:**

To re-elect James Quin as a director of the Company.

### **Resolution 7:**

To re-elect Orna NiChionna as a director of the Company.

### **Resolution 8:**

To re-elect Eva Eisenschimmel as a director of the Company.

### **Resolution 9:**

To re-elect Julie Hopes as a director of the Company.

### **Resolution 10:**

To re-elect Gareth Hoskin as a director of the Company.

### **Resolution 11:**

To re-elect Gareth Williams as a director of the Company.

### **Resolution 12:**

To elect Euan Sutherland as a director of the Company.

### **Resolution 13:**

To elect Cheryl Agius as a director of the Company.

### **Resolution 14:**

To re-appoint KPMG LLP as the Company's auditor to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before the shareholders.

**Resolution 15:**

To authorise the Audit Committee to agree KPMG LLP's remuneration as the Company's auditor.

**Resolution 16:**

That the Company and all companies that are its subsidiaries at any time up to the end of the next annual general meeting of the Company to be held in 2021, be authorised to:

1. make political donations to political parties and/or independent election candidates not exceeding £100,000 in aggregate;
2. make political donations to political organisations other than political parties not exceeding £100,000 in aggregate; and
3. incur political expenditure not exceeding £100,000 in aggregate

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 during the period commencing on the date of this Resolution and ending on the conclusion of the Company's next annual general meeting after the date on which this Resolution is passed.

For the purposes of the authority to be granted by such ordinary resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006 (the 'Act').

**Resolution 17:**

(a) That: the Directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Act to:

(i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

(A) up to an aggregate nominal amount of £3,736,271; and

(B) comprising equity securities (as defined in the Act) up to an aggregate nominal amount of £7,472,542 (including within such limit any shares issued or rights granted under paragraph (a)(i)(A) above) in connection with an offer by way of a rights issue:

(I) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(II) to people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2021); and

(ii) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired;

(b) subject to paragraph (c) below, all existing authorities given to the Directors pursuant to section 551 of the Act be revoked by this Resolution; and

(c) paragraph (b) above shall be without prejudice to the continuing authority of the Directors to allot shares or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

**Special Resolutions****Resolution 18:**

That, subject to the passing of Resolution 17 above, the Directors be generally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 17 above, and/or by way of a sale of treasury shares for cash, in each case as if section 561(1) of the Act did not apply to any such allotment or sale provided that:

(a) the power conferred by this Resolution shall be limited to:

(i) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under Resolution 17(a)(i)(B), by way of a rights issue only):

(A) to holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing respective holdings; and

(B) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions, restrictions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems arising under the laws or requirements of any territory or any other matter; and

(ii) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £561,001.66; and

- (b) the power conferred by this Resolution shall expire (unless previously revoked, varied or extended by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2021) except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted (or treasury shares to be sold) after such expiry and the Directors may allot equity securities (or sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

**Resolution 19:**

That, subject to the passing of Resolution 17, the Directors be generally empowered pursuant to sections 570 and 573 of the Act, in addition to any authority granted under Resolution 18, to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 17 above, and/or by way of a sale of treasury shares for cash, in each case as if section 561(1) of the Act did not apply to any such allotment or sale provided that:

- (a) the power conferred by this Resolution shall be:
- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £561,001.66; and
  - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, and
- (b) the power conferred by this Resolution shall expire (unless previously revoked, varied or extended by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2021) except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

**Resolution 20:**

That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 1p each ('Ordinary Shares') provided that:

- (a) the maximum aggregate nominal value of Ordinary Shares authorised to be purchased is £1,122,003.32 (representing 10% of the issued share capital);
- (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 1p;
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:
- (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the exchange where the purchase is carried out as derived from the London Stock Exchange Trading System ('SETS');
- (d) this authority shall, unless previously renewed, revoked, varied or extended, expire at the conclusion of the next annual general meeting of the Company; and
- (e) the Company may enter into any contract for the purchase of Ordinary Shares under this authority before the expiry of this authority which would or might be completed wholly or partly after the expiry of this authority.

**Resolution 21:**

That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

**By order of the Board**



**Vicki Haynes, Group Company Secretary**

**19 May 2020**

Registered Office:  
Enbrook Park  
Sandgate  
Folkestone  
Kent CT20 3SE.

Registered in England and Wales No. 8804263.

# Explanatory Notes to the Resolutions

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The notes on the following pages explain the proposed Resolutions.

Resolutions 1 to 17 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 18 to 21 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

## **Resolution 1 – Annual Report and Accounts:**

Under section 437 of the Act, the Directors of the Company are required to lay before the Company in general meeting its annual accounts and reports for the financial year ended 31 January 2020. The report of the Directors, the accounts, and the report of the Company's auditor on the accounts and on those parts of the Directors' Remuneration Report that are capable of being audited are contained within the 2020 Annual Report and Accounts.

## **Resolution 2 – Directors' Remuneration Report:**

In accordance with section 439 of the Act, shareholders are requested to approve the Directors' Remuneration Report. The Directors' Remuneration Report, which is set out on pages 81 to 108 of the 2020 Annual Report and Accounts, gives details of Directors' remuneration for the financial year ended 31 January 2020 and sets out the way in which the Company will implement its policy on Directors' remuneration. The Company's auditor, KPMG LLP, have audited those parts of the Directors' Remuneration Report capable of being audited (as set out on pages 85, 87, 93, 95-98 of the 2020 Annual Report and Accounts). The vote on the Directors' Remuneration Report is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this Resolution is not passed.

## **Resolution 3 – Saga plc 2020 Restricted Share Plan**

Resolution 3 seeks approval of a new incentive scheme, Saga plc 2020 Restricted Share Plan, included in the Directors' Remuneration Policy (see the explanatory notes to Resolution 4 below). Summary of the principal terms of the incentive scheme is set out in Schedule 3 attached to this Notice of AGM.

## **Resolution 4 – Directors' Remuneration Policy:**

The Company proposes an ordinary resolution to approve the Directors' Remuneration Policy as attached to this Notice of AGM. This Resolution is required to be put to shareholders in accordance with section 439A of the Act. The vote is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has otherwise been approved by a resolution of members. If Resolution 4 is passed, the Directors' Remuneration Policy will take effect immediately after the end of the AGM on 22 June 2020. Shareholder approval for the remuneration policy must be sought at least every three years. Shareholder approval must additionally be sought if the Directors wish to change the remuneration policy within such three-year period. The previous Directors' Remuneration Policy was approved by the shareholders at the AGM held on 21 June 2018.

At the previous AGM held on 19 June 2019, the Company received a significant vote against its resolution to approve the Directors' Remuneration Report. A shareholder consultation has taken place to understand reasons for 28.17% of the votes being cast against the resolution to approve the Remuneration Report. More details regarding this, and the action taken as a result, can be found on our website [www.corporate.saga.co.uk/about-us/governance/](http://www.corporate.saga.co.uk/about-us/governance/)

## **Resolutions 5 to 13 – Election of Directors:**

Resolutions 5 to 11 propose the re-election of Directors and Resolutions 12-13 propose the election of additional Directors. In accordance with the UK Corporate Governance Code, all Directors will submit themselves for re-election or election at this annual general meeting. If re-elected/elected, the re-election/election of Directors will take effect at the conclusion of the Company's AGM.

The Company is committed to high levels of corporate governance in accordance with the UK Corporate Governance Code. The UK Corporate Governance Code recommends that all directors of FTSE 350 companies should be subject to annual election by shareholders. The Company has decided to adopt this requirement of best corporate governance practice, on a voluntary basis, and all Directors will therefore seek annual re-election at future annual general meetings of the Company.

Biographical details of each of the Directors standing for election or re-election and the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success are as follows.

## Board of Directors

### **Patrick O' Sullivan, Chairman**

**Appointed:** 1 May 2018.

#### **Key strengths and experience:**

- Financially and strategically sophisticated business leader and Board director.
- Wealth of experience in the financial and insurance industry.

**Previous senior roles include:** Bank of America, Goldman Sachs, Financial Guaranty Insurance Company, Barclays/BZW and Zurich.

**Previous Non-Executive roles include:** Chairman of Old Mutual plc and the UK's Shareholder Executive; Deputy Governor at Bank of Ireland; Senior Independent Director at Man Group plc; Audit Committee Chair at Collins Stewart plc, Cofra Group AG and Chairman of ERS (syndicate 218), a Lloyd's market specialist motor insurer.

**Individual contribution:** Patrick continues to use his significant experience in the insurance and financial services industry to provide wisdom and leadership to the Board, offering a strong voice and facilitating productive Board discussion. Patrick also provides an invaluable mentor role and is engaged both within and outside the boardroom.

**Committee membership:** Nomination (Chair).

### **James Quin, Group Chief Financial Officer**

**Appointed:** 1 January 2019.

#### **Key strengths and experience**

- Fellow of the Institute of Chartered Accountants in England and Wales.
- Seasoned insurance executive with over 28 years of senior leadership experience.
- Extensive strategic, investor and operational finance experience within the insurance industry.

**Previous roles include:** Zurich Insurance Group (most recently UK Chief Financial Officer), Citigroup Global Markets, Lehman Brothers and PwC.

**Individual contribution:** James has displayed impressive financial leadership since joining Saga, and his executive experience is greatly valued by the Board. James' successes have included the sale of the Bennetts brand and Saga's introductory care agencies, and his experience will continue to be essential in the development of Saga's strategy.

**Committee membership:** Executive.

### **Orna NiChionna, Senior Independent Non-Executive Director**

**Appointed:** Senior Independent Non-Executive Director on 31 March 2017 / 29 May 2014 as Non-Executive Director.

#### **Key strengths and experience:**

- Significant experience in strategy and new concept development and launch, business turnaround, logistics redesign and supply chain management.
- Previous client portfolio included many consumer-facing clients.

**Previous roles include:** Senior Independent Director of Royal Mail plc, HMV plc, Northern Foods plc and Bupa; Non-Executive Director of Bank of Ireland UK Holdings plc and Bristol & West plc; former Partner at McKinsey & Company.

**Individual contribution:** Orna's significant experience with Saga and other major brands including Burberry and Royal Mail continue to be highly valuable to the Board. Orna provides an important challenge to the Executive Directors in her role as Senior Independent Director and provides an important governance function through her membership of the Audit, Nomination and Remuneration Committees and in chairing the Risk Committee.

**Other roles:** Non-Executive Director and Chair of the Remuneration Committee at Burberry Group plc (appointed January 2018), Non-Executive and Chair of Founders Intelligence Limited (appointed July 2019), Deputy Chair of the National Trust (appointed January 2014) and Trustee of Sir John Soane's Museum (appointed January 2012).

**Committee membership:** Risk (Chair), Nomination, Audit and Remuneration.

### **Eva Eisenschimmel, Independent Non-Executive Director, Customer Champion**

**Appointed:** 1 January 2019.

#### **Key strengths and experience:**

- Over 30 years of experience as a brand and marketing professional.
- Experience in customer membership schemes.
- Appointed 'Customer Champion' – chairs Saga's Customer Forum.

**Previous roles include:** Non-Executive Director (and a member of the Audit, Nomination, Remuneration and Risk Committees) of Virgin Money plc; Managing Director of Marketing, Brands and Culture at Lloyds Banking Group plc; Chief Customer Officer at Regus plc; Chief People and Brand Officer at EDF Energy; senior positions at Allied Domecq and British Airways.



**Individual contribution:** Eva brings extensive experience in marketing and brand management to the Board and fills key roles as Customer Champion, Chair of the Remuneration Committee and member of the Nomination Committee. Eva has demonstrated outstanding commitment to ensuring that the customer voice is heard in the boardroom.

**Other roles:** Chief of Staff at Lowell (appointed February 2016).

**Committee membership:** Remuneration (Chair) and Nomination.

#### **Julie Hopes, Independent Non-Executive Director**

**Appointed:** 1 October 2018.

##### **Key strengths and experience:**

- Associate with the Chartered Institute of Bankers.
- Wealth of insurance experience coupled with over 20 years in a variety of roles, specialising in general insurance and predominantly in personal lines.
- Highly customer-focused, with a breadth of functional, membership and affinity experience and a track record of driving growth.

**Previous roles include:** Non-Executive Director and Chair of Risk Committee of Co-Operative Insurance; Tesco Bank; CEO of The Conservation Volunteers, a UK community volunteering charity.

**Individual contribution:** Julie brings extensive experience in insurance and provides valuable contributions both to the Saga plc Board and as Non-Executive Chair of Saga Services Limited. Julie acts as an important link between the insurance division and the Board and demonstrates a driven approach to ensuring a customer-focus for Saga's insurance products.

**Other roles:** Chair of Police Mutual and its Remuneration Committee (appointed May 2014), Senior Independent Non-Executive Director and Remuneration Committee Chair of West Bromwich Building Society (appointed April 2016).

**Committee membership:** Remuneration and Risk.

#### **Gareth Hoskin, Independent Non-Executive Director**

**Appointed:** 11 March 2019.

##### **Key strengths and experience:**

- c.20 years' experience in Insurance, in a variety of roles.
- Accountant: recent and relevant financial experience and competence in accounting.

**Previous roles include:** main Board Director and CEO International; and finance, retail marketing and HR roles in Legal & General; accountant at PwC.

**Individual contribution:** Gareth brings a breadth of insurance and accountancy experience to the Board and is highly effective in his role as Non-Executive Chair of Saga's underwriter, Acromas Insurance Company Limited (AICL). Gareth continues to provide important challenge and leadership and is a vital link between the Board and AICL as underwriter. His financial background and experience ensure that he will be a strong Audit Committee Chair when he assumes this position on 22 June 2020.

**Other roles:** Audit Chair and Senior Independent Director at Leeds Building Society (appointed November 2015); Trustee, Non-Executive Director and Chair of the Audit and Risk Committees at Diabetes UK (appointed January 2015).

**Committee membership:** Audit (Chair with effect from 22 June 2020) and Risk.

#### **Gareth Williams, Independent Non-Executive Director, Employee Champion**

**Appointed:** 29 May 2014.

##### **Key strengths and experience:**

- Expertise in all aspects of human resource and people strategy.
- Brings unique perspective to discussions, drawn from his experience of working at Director level in a consumer-facing organisation and knowledge of corporate relations, management development and resourcing.

**Previous roles include:** Human Resources Director of Diageo plc (including oversight responsibility for corporate relations); key positions in human resources at Grand Metropolitan plc.

**Individual contribution:** Gareth is a highly experienced human resources professional, whose extensive knowledge and people-driven approach is crucial to the Board. Gareth frequently attends the Group's People Committee and through this forum provides a link between the Board and the wider workforce. His role as 'People Champion' ensures that the views of the workforce are considered in decision making.

**Other roles:** Non-Executive Director of WNS (Holdings) Limited (appointed January 2014) and Trustee of Cicely Saunders International (appointed April 2019).

**Committee membership:** Audit, Nomination, Remuneration and Risk.

### **Euan Sutherland, Group Chief Executive Officer**

**Appointed:** 6 January 2020.

#### **Key strengths and experience:**

- Significant experience in leading major consumer-facing businesses through periods of change to deliver a more efficient organisation.
- Implementing strategy focused on customer insight, digital innovation and wholesale expansion.

**Previous senior roles include:** CEO of Superdry plc, the global digital brand and The Co-op Group; Group COO & CEO UK at Kingfisher plc, and background in global FMCG (fast-moving consumer goods) brands including Mars and Coca-Cola.

**Individual contribution:** Since Euan joined the Board, his wealth of leadership experience from major customer-facing businesses including Superdry and the Co-op Group have proved invaluable. In addition to bringing an exciting new leadership style to Saga, Euan has worked to drive strategic change and to introduce new efficiency measures throughout the business. Euan's experience of strategic delivery will continue to be essential as the Saga brand evolves.

**Other roles:** Non-Executive Director of Britvic plc (appointed February 2016).

**Committee membership:** Executive.

### **Cheryl Agius, Chief Executive Officer of Insurance**

**Appointed:** 1 January 2020.

#### **Key strengths and experience:**

- Fellow of the Institute of Actuaries.
- Over 25 years' experience in insurance, retirement and pensions.
- Strong track record of delivery in senior strategic roles.
- Leading an organisational transformation and change programme to create a data-driven, digitally-led business.

**Previous roles include:** Legal & General (UK Strategic Retirement Director, UK International Development Director and most recently Chief Executive Officer of General Insurance business); Aon Hewitt, Lloyds TSB and Towers Watson.

**Individual contribution:** Cheryl offers a proven track record in delivery of strategy and holds extensive experience in the insurance sector. Cheryl's knowledge of the industry and insurance leadership will be pivotal in driving the success of the Saga insurance brand.

**Committee membership:** Executive.

The Company has determined that each of the independent non-executive directors being proposed for re-election (being Orna NiChionna, Julie Hopes, Gareth Hoskin, Eva Eisenschimmel and Gareth Williams) (together 'the Independent Directors') and the Chairman being proposed for re-election (being Patrick O' Sullivan) meet the independence criteria prescribed in the UK Corporate Governance Code. The Company confirms that there have been no previous or existing relationships, transactions or arrangements between each of the Independent Directors, the Chairman and the Company or any of its directors. All of the Independent Directors and the Chairman are experienced and have a broad knowledge of the sectors in which the Company operates. In light of their career experience and knowledge, the Board considers that each Independent Director and the Chairman bring valuable skills to the Board and provide an impartial viewpoint.

A full evaluation of the Board, its committees and its individual Directors took place during the year. This was an externally facilitated review conducted by Independent Audit Limited. A full explanation of the evaluation exercise can be found on pages 66 and 67 of the 2020 Annual Report and Accounts. The Chairman confirms that each of the Directors being proposed for re-election or election continues to be effective and to demonstrate commitment to the role and has sufficient time to meet his or her commitments to the Company.

### **Resolutions 14 and 15 – Auditor:**

The Company is required to appoint or re-appoint an auditor at each general meeting at which accounts are presented to shareholders. It is also normal practice for the Audit Committee to be authorised to determine the level of the auditor's remuneration for the ensuing year. The current appointment of KPMG LLP as the Company's auditor will end at the conclusion of the AGM and they have advised of their willingness to stand for re-appointment. Resolution 14 proposes the re-appointment of KPMG LLP until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 15 grants authority to the Company's Audit Committee to determine the auditor's remuneration.

### **Resolution 16 – Political Donations:**

The Act prohibits companies from making any political donations to political organisations or independent candidates, or incurring political expenditure, unless authorised by shareholders in advance. The Company does not make, and does not intend to make, donations to political organisations or independent election candidates, nor does it incur or intend to incur

any EU political expenditure. It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of such expressions.

However, the definitions of political donations, political organisations and political expenditure used in the Act are very wide. As a result, it may be that some of the Company's activities could fall within the potentially wide definitions of political donations and political expenditure under the Act and, without the necessary authorisation, the Company's ability to communicate its views effectively to, for example, interest groups, lobbying organisations or bodies representing the business community in policy review or reform could be inhibited.

Shareholder approval is being sought, on a precautionary basis only, to allow the Company and its subsidiaries to fund activities in relation to which it is in the interests of shareholders that the Company should support. Such authority will enable the Company and its subsidiaries to be sure that they do not, because of any uncertainty as to the bodies or the activities covered by the Act, unintentionally commit a technical breach of the relevant sections of the Act.

The purpose of Resolution 16 is to authorise the Company and/or its subsidiaries to make limited political donations or incur limited political expenditure, within the meaning of such expressions as contained in the Act to a maximum amount of £100,000, in total. This resolution is put to shareholders annually rather than every four years as required by the Act in line with best practice guidelines published by the Investment Association. Any donations or expenditure, which may be made or incurred under the authority of Resolution 16, will be disclosed in next year's annual report.

#### **Resolution 17 – Directors' Authority to Allot Shares:**

The Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the Directors on 19 June 2019 under section 551 of the Act to allot shares expires on the date of the forthcoming AGM. Accordingly, this Resolution seeks to grant a new authority under section 551 of the Act to authorise the Directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next AGM of the Company in 2021.

Paragraph (A) of Resolution 17 will, if passed, authorise the Directors to allot shares or grant rights to subscribe for, or to convert any security into, such shares in the Company up to a maximum nominal amount of £3,736,271 for capital management purposes (other than a right issue but still subject to pre-emption rights). For example, this authority could include placings, open offers, vendor placings or converting other securities into equity. This amount represents 33.3% of the Company's existing issued ordinary share capital (the Company has no treasury shares) as at 12 May 2020 (being the latest practicable date prior to publication of this Notice).

Paragraph (B) of Resolution 17 authorises the Directors to allot, including the shares referred to in (A), further of the Company's unissued shares up to an aggregate nominal amount of £7,472,542, representing 66.6% of the Company's existing issued ordinary share capital (the Company has no treasury shares) as at 12 May 2020 (being the latest practicable date prior to publication of this Notice) in connection with a pre-emptive offer to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

This authority (sought under paragraphs (A) and (B)) is common practice for premium listed companies in the UK and is in accordance with the latest guidelines published by the Investment Association. It gives the Company flexibility to act in the best interests of the shareholders as and when opportunity arise by issuing new shares. This authority will expire on the conclusion of the annual general meeting of the Company next year. The Board has no present intention to exercise this authority. However, it is considered prudent to maintain the flexibility that this authority provides. The Directors intend to renew this authority annually. The Company currently holds no shares in treasury.

#### **Resolutions 18 and 19 – Disapplication of Pre-emption Rights:**

Under section 561(1) of the Act, if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be exceptional occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. These could include placings, open offers, vendor placings, cash box placings or converting other securities into equity. This Resolution also seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 18 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority contained in this Resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £561,001.66 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued ordinary share capital as at 12 May 2020 (being the latest practicable date prior to the publication of this Notice). This authority expires at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2021).

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles, as updated in March 2015, and to not allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 20: (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares; or (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with shareholders, in each case other than in connection with an acquisition or specified capital investment.

In addition to Resolution 18, Resolution 19 asks the shareholders to waive their pre-emption rights for an additional 5% for transactions which the Directors determine to be an acquisition or other capital investment as defined in the Pre-emption Group's Statement of Principles. This Resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £561,001.66 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued ordinary share capital as at 12 May 2020 (being the latest practicable date prior to the publication of this Notice). In accordance with the Pre-emption Group's Statement of Principles, the Directors confirm that they intend to use the authority sought in Resolution 19 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue, and will provide shareholders with information regarding the transaction if the authority is used.

The Company does not currently hold any shares in treasury.

The Directors do not have any intention at the present time of exercising the power proposed to be granted under Resolutions 18 and 19. This power would be used only if considered to be in the best interest of the shareholders. The Directors intend to renew this authority annually.

#### **Resolution 20 – Purchase of Own Shares:**

This Resolution authorises the Directors to make market purchases of the Company's shares up to an aggregate nominal value of £1,122,003.32, representing 10% of the issued share capital of the Company as at 12 May 2020, being the latest practicable date before the publication of this Notice. Shares so purchased may be cancelled or held as treasury shares. This authority expires on the conclusion of the next annual general meeting of the Company. The Directors intend to seek renewal of this authority at subsequent annual general meetings of the Company.

The Directors have no current intention to exercise the authority sought by this Resolution but will keep the matter under review. The Directors will use this authority with discretion, when they consider such purchase to be in the best interests of the Company. In reaching a decision to purchase shares of the Company the Directors would take account of the Company's business and any impact on earnings per share and net tangible assets per share, as well as all other relevant factors. The decision as to whether such shares bought back will be cancelled or held in treasury will be made by the Directors on the same basis at the time of purchase. Any impact on earnings per share will, for the purposes of any incentive award, be adjusted to take account of the exercise of the share purchase authority.

The minimum price that can be paid for an Ordinary Share is 1p being the nominal value of an Ordinary Share. The maximum price that can be paid shall be the higher of (i) 5% over the average of the middle market prices for an Ordinary Share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the market where the purchase is carried out as derived from the SETS.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employee share schemes.

As at 12 May 2020, being the latest practicable date before publication of this Notice, there were outstanding options under the Company's discretionary share incentive plans and employee share savings schemes in respect of 23,975,080 Ordinary Shares, representing 2.14% of the Company's issued ordinary share capital (there are no treasury shares) at that date. If the authority under this Resolution to purchase the Ordinary Shares was exercised in full, the proportion of Ordinary Shares subject to such options would represent 2.37% of the Company's issued ordinary share capital as at 12 May 2020, being the latest practicable date before publication of this Notice. There are no warrants outstanding.

#### **Resolution 21 – Notice of Meetings other than Annual General Meetings:**

The Act sets the notice period required for general meetings of the Company at 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. This Resolution seeks such approval. Whilst the Company's Articles of Association already provide for a minimum notice period of 14 days for general meetings, the Act (as amended by the EU Shareholder Rights Directive) requires that the Company requests Shareholders to authorise this minimum notice period at every annual general meeting in order to be able to take advantage of this provision. The approval will be effective until the Company's next annual general meeting, at which it is intended a similar resolution will be proposed. The Directors' intention is to only call general meetings on less than 21 days' notice where such shorter notice period is merited by the business of the meeting or thought to be in the interests of shareholders as a whole.

# Notes to the Notice of Annual General Meeting

1. Only those members entered on the register of members of the Company as at close of business on 18 June 2020 (or if the AGM is adjourned, close of business on the date which is 48 hours before the time fixed for the adjourned AGM excluding any UK non-working days) shall be entitled to attend and vote at the above meeting and a member may vote in respect of the number of Ordinary Shares registered in the member's name at that time. In each case changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to attend and vote at the AGM. These requirements reflect Part 13 of the Act and Regulation 41 of The Uncertificated Securities Regulations 2001 (as amended). **Due to COVID-19, members are strongly encouraged to join the AGM electronically and vote on all resolutions online or by completing an online proxy appointment form appointing the Chairman of the Meeting as your proxy.**
2. Shareholders can attend and participate in the meeting electronically, should they wish to do so. This can be done by either downloading the dedicated "Lumi AGM" app or by accessing the AGM website: <http://web.lumiagm.com>. Lumi is our meeting software provider and works in conjunction with our registrar, Link.

## Downloading the AGM app

To access the AGM you will need to download the latest version of the dedicated AGM app, called "Lumi AGM", onto your smartphone from the Google Play Store or the Apple App Store. We recommend that you do this in advance of the meeting date. Please note that the app is not compatible with older devices operating Android 4.4 (and below) or iOS 9 (and below).

## Accessing the AGM website

Lumi AGM can also be accessed online using most well-known internet browsers such as Internet Explorer (versions 10 and 11), Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. If you wish to access the AGM using this method, please go to <https://web.lumiagm.com> on the day.

## Logging-in to the electronic AGM

On accessing either the app or AGM website, you will be asked to enter Meeting ID **133-651-038**. You will then be prompted to enter the unique login ID and your PIN code. These can be found printed on the notification correspondence sent to you. Access to the meeting via the app or website will be available from 30 minutes before the meeting begins; however, please note that your ability to vote will not be enabled until the Chairman formally opens the meeting at 11.00am on 22 June 2020.

***If you haven't received a letter from the company or have purchased shares in the company within the last few weeks, then please telephone Saga Shareholder Services on 0800 015 5429 by 11.00am on 18 June 2020 who will provide you with the required information to access the meeting remotely.***

## Voting at the electronic AGM

After the resolutions have been proposed, voting options will appear on the screen. Press or click the option that corresponds with the way in which you wish to vote, "For", "Against" or "Abstain/Withheld". Once you have selected your choice, you will see a message on your screen confirming that your vote has been received. If you make a mistake or wish to change your voting instruction, simply press or click the correct choice until the poll is closed on that resolution. If you wish to cancel your "live" vote, please press "Cancel".

Please note that an active internet connection is required in order to successfully cast your vote when the Chairman commences polling on the resolutions. It is your responsibility to ensure connectivity for the duration of the meeting.

## Process

The process of asking questions, voting and accessing the AGM presentation will be further explained by the Chairman during the meeting.

3. A member may appoint a proxy (who need not be a member of the Company) to exercise all or any of their rights to attend and vote at the AGM. You can appoint the Chairman of the meeting or anyone else to be your proxy at the AGM. You can also, if you wish, appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. A proxy need not be a member but must attend the AGM in order to represent you and must vote in accordance with your instructions.

If you appoint the Chairman of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes given that the UK Government's current restrictions mean that neither you nor any other person you might appoint as your proxy will be able to attend the meeting in person. We would strongly recommend that you appoint the Chairman of the meeting as your proxy. Appointing a proxy in this way will not prevent you from attending and voting at the AGM electronically.

Duly appointed third party proxies attending the electronic AGM should contact the Company's registrar, Link, before 11.00am on 18 June 2020 on 0800 015 5429 to obtain their unique login ID and pin code. Shareholders are encouraged to register proxies in advance to allow sufficient time to process these.

We are open between 9.00am and 5.30pm Monday to Friday, excluding public holidays in England and Wales.

If you hold your shares in a nominee via a bank or broker and wish to attend the electronic AGM, please contact your bank or broker directly and ask them to send the Company's registrars Link a Corporate Letter of Representation before 11am on 17 June. Link will then send the unique login, PIN and meeting ID back to the nominee to forward on to you directly.

4. You can vote in advance of the meeting either:
  - By logging on to **www.sagashareholder.co.uk** and following the instructions;
  - By requesting a hard copy proxy directly from the Registrars, Link Asset Services by emailing enquiries@sagashareholder.co.uk or by telephone to 0800 015 5429. Lines are open from 09.00am– 5.30pm, Monday to Friday (excluding public holidays in England & Wales); or
  - If you are a CREST member, by using the CREST electronic proxy appointments service in accordance with the procedures set out below.
5. **To be valid, the Proxy and any authority under which it was executed (or a notarially certified copy of such authority) must be submitted to the Company's Registrars, Link Asset Services, in accordance with the instructions set out on in this Notice by no later than 11.00am on 18 June 2020** (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM, excluding any UK non-working days). Completion of a Proxy will not preclude shareholders from attending the meeting electronically.

Members who prefer to vote online can do so through the Saga Shareholder Services Portal (**www.sagashareholder.co.uk**) where full instructions on the procedure are given. Your Investor Code (IVC) will be required in order to use the online voting facility. Alternatively, members who have already registered with the Saga Shareholder Services Portal can vote online by logging on to their portfolio at **www.sagashareholder.co.uk** and clicking on the link to vote.

A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 11.00am on 18 June 2020.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 22 June 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at **www.euroclear.com**).

CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00am on 18 June 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

7. **If you hold your shares within the Saga Shareholder Account ('SSA') your shares are held on your behalf in the name of Link Market Services Trustees (Nominees) Limited, a wholly owned subsidiary of the administrators of the SSA, Link Market Services Trustees Limited. Link Market Services Trustees (Nominees) Limited is the registered shareholder but you can tell them how you want the votes in respect of your shares to be cast at the AGM by completing a Form of Direction. Please complete this form and return it to the Registrar or vote online at www.sagashareholder.co.uk by 11.00am on 17 June 2020** (or if the AGM is adjourned, 72 hours before the time fixed for the adjourned AGM, excluding any UK non-working days). The Investor Code (IVC) printed on your notification documentation will be required in order to log in to the system. Voting online will not preclude you from attending the meeting electronically. Notes 3 to 5 above do not apply to you.

An electronic vote will not be valid if sent to any address other than those provided or if received after 11.00am on 17 June 2020.

8. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

9. The Non-Executive Directors terms and conditions of appointment, the Terms of Reference of the Board Committees and a copy of the Company's Articles of Association are available on the Company's website at [www.corporate.saga.co.uk/about-us/governance/](http://www.corporate.saga.co.uk/about-us/governance/).
10. If you are a person who has been nominated by a member under section 146 of the Act to enjoy information rights in accordance with section 146 of the Act, Notes 3 to 7 above do not apply to you (as the rights described in those Notes can only be exercised by members of the Company) but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the AGM. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
11. As at 12 May 2020 (being the latest practicable date before publication of this Notice) the Company's issued share capital consists of 1,122,003,328 Ordinary Shares, carrying one vote each. No shares were held in treasury. Therefore, the total number of voting rights in the Company as at 12 May 2020 is 1,122,003,328.
12. This Notice of AGM together with the information listed below, is available on the Company's website [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk)
- (A) the matters set out in this Notice of AGM;
- (B) the total number of:
- (i) shares in the Company, and
- (ii) shares of each class, in respect of which members are entitled to exercise voting rights at the AGM;
- (C) the totals of the voting rights that members are entitled to exercise at the AGM in respect of the shares of each class; and
- (D) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the AGM is given.
13. Any member has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on its website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act (Members' power to require website publication of audit concerns), the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's Report and the Conduct of the Audit) that are to be laid before the AGM.
- The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act (Requirements as to website availability). Where the Company is required to place a statement on its website under section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM will include discussion regarding any statement that the Company has been required under section 527 of the Act to publish on its website.
15. A member that is a company or other organisation not having a physical presence can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 3 to 5 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provisions of the Act. Corporate representatives may exercise on its behalf all of the powers of a shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
16. You may not use any electronic address provided either in this Notice of AGM or any related documents to communicate with the Company for any purpose other than those expressly stated.
17. The results of voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk) as soon as they are available.
18. You can view, annotate and save the Annual Report and Accounts (and other important shareholder documents) on your iPad or tablet by downloading the Signal Documents app provided by Link Asset Services. This application is free of charge and found by searching for 'Signal Documents' on the App Store or Google Play (depending on your device). If you are generally happy to view shareholder and company documents online, please update your communication preferences (if necessary) by contacting Saga Shareholder Services or via the Saga Shareholder Services Portal, [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk).
19. We regularly review ways to improve communication with shareholders and encourage electronic communication where available. This has advantages including increasing the speed of communication, minimising our impact on the environment and reducing print and distribution costs. Previously, Saga sent over 53,000 paper proxy forms annually, 85% of which were not returned. As of 2020 we no longer send paper proxy forms to shareholders registered for paper communications unless you have specifically asked for one. Instead you may cast your votes online at the Saga Shareholder Services Portal, [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk). Online voting is quicker and more secure than paper voting. If you would like to receive a paper proxy form you will need to request one each year from our Registrar, Link Asset

Services. We would urge you to register for electronic communications generally. You may register online using the Saga Shareholder Services Portal or by contacting Link Asset Services.

20. Pursuant to Listing Rule 9.8.6(1) the table below sets out the interests (in respect of which transactions are notifiable to the Company under Article 19 of the Market Abuse Regulation) of each current Director as at 12 May 2020, being the latest practicable date prior to the date of this document.

Director	Shares beneficially owned	Deferred shares not subject to performance conditions	LTIP interests subject to performance conditions	LTIP interests vested but not yet exercised	Outstanding interests in SIP
<b>Executive Directors</b>					
James Quin	142,964	7,748	1,660,682	-	-
Euan Sutherland	253,984	-	1,353,965	-	-
Cheryl Agius	-	-	-	-	-
<b>Non-Executive Directors</b>					
Patrick O'Sullivan	260,000	-	-	-	-
Ray King	43,879	-	-	-	-
Orna NiChionna	29,195	-	-	-	-
Gareth Williams	43,817	-	-	-	-
Julie Hopes	42,617	-	-	-	-
Eva Eisenschimmel	41,354	-	-	-	-
Gareth Hoskin	135,178	-	-	-	-

21. Pursuant to Listing Rule 9.8.6(2) the table below shows the interests disclosed to the Company in accordance with Disclosure and Transparency Rule (DTR) 5 as at 31 January 2020 together with an update in respect of those interests as at 12 May 2020, being the latest practicable date.

Information on major interests in shares provided to the Company under the DTRs of the UK Listing Authority is published via a Regulatory Information Service and the Company's website [www.corporate.saga.co.uk/investors/regulatory-news/](http://www.corporate.saga.co.uk/investors/regulatory-news/).

Shareholder	Ordinary Shares	Percentage of Capital As disclosed to the Company	Nature of Holding
Majedie Asset Management Limited	68,956,717	6.17%	Indirect
Artemis Investment Management LLP	111,601,253	9.98%	Indirect
Royal London Asset Management Limited	55,282,337	4.9271%	Direct
Pelham Capital Ltd	49,867,633	4.44%	Contract for Difference
BlackRock, Inc.	56,034,496	4.99%	Indirect
Aggregate of Standard Life Aberdeen plc	133,057,984	11.86%	Indirect
Setanta Asset Management Limited	123,522,641	11.009%	Indirect
Pictet Asset Management Ltd	57,895,868	5.16%	Direct
Paul Singer (on behalf of Elliott International, L.P., The Liverpool Limited Partnership & Elliott Associates, L.P.)	57,685,669	5.141%	Indirect

**Notes:**

(A) Since the date of disclosure to the Company, the interest of any person listed above in ordinary shares may have increased or decreased. No requirement to notify the Company of any increase or decrease arises unless the holding passes a notifiable threshold in accordance with DTR 5.

(B) As at 12 May 2020, the Company had received the following notifications:

- that Aggregate of Standard Life Aberdeen plc now holds 111,904,918 ordinary shares, being 9.97% of the issued share capital (nature of holding: indirect);
- that Pictet Asset Management Ltd now holds 56,064,854 ordinary shares, being 4.99% of the issued share capital (nature of holding: direct); and
- that Paul Singer (on behalf of Elliott International L.P., The Liverpool Limited Partnership & Elliott Associates, L.P.) now holds below 5% of the issued share capital.

The Company is aware that Artemis and Pelham are no longer shareholders in the Company, BlackRock Inc holds 897,129 shares in securities lending and that as at 12 May 2020 (being the latest practicable date) Royal London Holdings held 2.40% of issued share capital.



# Online Shareholders' Guide

If you choose to participate online you will be able to view a live webcast of the meeting, ask the board questions and submit your votes in real time and you will need to either:

- Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.
- Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge and Firefox. Please ensure your browser is compatible.

**Meeting ID: 133-651-038**

**To log in you must have your unique Login ID and PIN code**

## Access

Once you have either downloaded the **Lumi AGM app** or entered **web.lumiagm.com** into your web browser, you'll be prompted to enter the Meeting ID as above.

You will then be required to click 'I have a login' and enter your:

- Login ID; and
- PIN.

**You will be able to log into the site on 22 June 2020 at 10.30am.**

To enter as a shareholder, select '**I have a login**' and enter your Username and PIN.


If you are a visitor, select '**I am a guest**'

As a guest, you will be prompted to complete all the relevant fields including name and organisation.

**Please note, guests will not be able to ask questions or vote at the meeting.**

## Webcast


When successfully authenticated, the info screen will be displayed. You can view company information, ask questions and listen to the audiocast.

If you would like to watch the **webcast** click the "broadcast" icon .

If viewing on a computer, the broadcast will appear at the side automatically once the meeting has started.



## Voting

The Chairman will open voting on all resolutions. Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen.

From here, the resolutions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

To change your vote, simply select another direction. If you wish to cancel your vote, please press Cancel


Once the Chairman has opened voting, voting can be performed until the Chairman closes the voting on the resolutions. At that point your last choice will be submitted.

You will still be able to view the webcast whilst the poll is open.



**Questions**

Any shareholder or appointed proxy attending the meeting is eligible to ask questions.

If you would like to ask a question, select the messaging icon .

Messages can be submitted at any time during the Q&A session up until the Chairman closes the session.

Type your message within the chat box at the bottom of the messaging screen.

Once you are happy with your message click the send button.

Questions sent via the Lumi AGM online platform will be moderated before being sent to the Chairman. This is to avoid repetition.

**Downloads**

Links are present on the info screen. When you click on a link, the selected document will open in your browser.

Data usage for streaming the annual shareholders' meeting or downloading documents via the AGM platform varies depending on individual use, the specific device being used for streaming or download (Android, iPhone, etc) and the network connection (3G, 4G).

# Glossary

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<b>2020 Annual Report and Accounts</b>	the Company's annual report and accounts for the financial year ended 31 January 2020.
<b>Act</b>	the Companies Act 2006.
<b>AGM</b>	the annual general meeting of Saga plc to be held at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE on 22 June 2020 at 11.00am.
<b>Board</b>	board of directors of Saga plc.
<b>Committee(s)</b>	committees of the Board of Saga plc.
<b>Company</b>	Saga plc.
<b>Directors</b>	directors of the Company.
<b>Directors' Remuneration Policy</b>	is attached at Schedule 2 to this Notice of AGM.
<b>Directors' Remuneration Report</b>	includes the annual statement by the Chair of the Remuneration Committee as set out on pages 81 to 88 and the directors' remuneration report as set out on pages 89 to 108 of the 2020 Annual Report and Accounts
<b>Ordinary Shares</b>	the ordinary shares of 1p each in the capital of the Company.
<b>Resolutions</b>	ordinary resolutions 1 to 17 and special resolutions 18 to 21 as specified in this Notice of AGM on pages 4 to 6.
<b>SETS</b>	Stock Exchange Trading System.



**Registered office:****Saga plc**

Enbrook Park  
Sandgate  
Folkestone  
Kent

CT20 3SE

Registered in England and Wales No: 08804263

**Registrar Shareholder Enquiries**

Saga Shareholder Services

Tel: 0800 015 5429

Email: [enquiries@sagashareholder.co.uk](mailto:enquiries@sagashareholder.co.uk)

**Investor relations**

Mark Watkins (Director of Investor Relations)

Email: [mark.watkins@saga.co.uk](mailto:mark.watkins@saga.co.uk)

**Shareholder queries**

Meena Mahatheva (Investor Relations Manager)

Tel: 020 3846 5114

Email: [investor.relations@saga.co.uk](mailto:investor.relations@saga.co.uk)

**Questions**

Submit questions to the Board by writing to the Group Company Secretary at Saga, Enbrook Park, Sandgate, Folkestone CT20 3SE or by calling Saga Shareholder Services on the following number: 0800 015 5429 or by signing into the Lumi app or Lumiwebsite ahead of the meeting using the meeting ID and your unique log in and PIN code, then selecting the message icon and submitting a question in the text field. The portal will be open until Thursday 18th June 2020 to submit questions.



# Saga plc Annual General Meeting - Schedules (Remuneration Matters)

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22 June 2020

The logo for SAGA, featuring the word "SAGA" in a bold, blue, sans-serif font. The letter "A" is stylized with a blue triangle pointing to the right, and the second "A" is also stylized with a blue triangle pointing to the right.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, we recommend you seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Saga plc, please send this document at once to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.



# Schedule 1

## Letter from the Chair of the Remuneration Committee of Saga plc

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Dear Shareholder,

### **NEW DIRECTORS REMUNERATION POLICY AND INTRODUCTION OF THE SAGA PLC 2020 RESTRICTED SHARE PLAN**

#### **Background**

When drafting this letter, the focus on responding to the societal and business disruption caused by the COVID-19 pandemic is immense and the Remuneration Committee is acutely aware of its responsibilities in taking account of this context in its discussions and decisions.

In the normal course of events, we would be seeking shareholder approval for a new Remuneration Policy in 2021 three years after the approval of the current Policy in 2018 (the "Current Remuneration Policy"). However, there are a number of reasons driving the Committee to feel it is appropriate to bring forward a new Policy in 2020:

- To support the implementation of the new strategy communicated in 2019;
- To reflect our new team of Executive Directors and a desire to align their interests with shareholders as soon as possible;
- A desire to simplify our remuneration;
- A desire to incentivise the creation of long-term shareholder returns through sustainable long-term performance;
- The historic challenge the Company has had in determining the right performance conditions and targets for its long-term incentive arrangements. This is evidenced by the number of consultations held with shareholders on this point over the years since the IPO and the last consultation conducted by the Committee in 2019 demonstrated the wide variety of views amongst our shareholders on this topic.
- In reflection of the current context and the additional uncertainties it introduces over the mid-term.

We, therefore, believe it is time for something different.

The proposed new Remuneration Policy is set out in Schedule 2 on pages 9 to 21. A full explanation of the new Policy and the Committee's rationale for the changes are set out there. In this letter, I am focusing on the new, proposed Saga plc 2020 Restricted Share Plan (the "Restricted Share Plan" or "RSP") which will form part of the new Policy and require separate shareholder approval.

#### **Summary of the key elements of the proposed new Remuneration Policy (the "New Policy")**

##### **Restricted Share Plan (the "RSP")**

- Removal of the current Long-Term Incentive Plan (the "LTIP") and replacement with a Restricted Share Plan.
- Three-year vesting period for shares and two-year holding period.
- Underpin for the Committee to adjust vesting if business performance, individual performance or wider Company considerations mean in their view that an adjustment is required.
- Reduction in the maximum award for the CEO from 200% of salary (other Executive Directors 150% of salary) under the current Long-Term Incentive Plan to:
  - o Initial 2020 RSP award of:
    - 70% of salary for the CEO;
    - 65% of salary for the CFO; and
    - 56% of salary for the CEO of Insurance;
  - o Ongoing RSP award of a maximum of:
    - 100% of salary for the CEO;
    - 85% of salary for the CFO; and
    - 75% of salary for the CEO of Insurance.
- The Committee is conscious of the current volatility and low share price of the Company, due to the impact of COVID-19 on its cruise and tour operations division, amongst other factors. In order to protect all stakeholders, the Committee is proposing the following safeguards:
  - o A reduction in the value of the initial 2020 RSP awards (see above);
  - o The Committee will review each year the size of the award under the RSP within the maximums set out above taking into account the considerations outlined.



- The Committee will also take into account the following underpinning factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting:
  - o whether threshold performance levels have been achieved for the performance conditions for the Bonus Plan for each of the three years covered by the vesting period for the restricted shares;
  - o whether there have been any sanctions or fines issued by a Regulatory Body; participant responsibility may be allocated collectively or individually;
  - o whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually;
  - o the level of employee and customer engagement over the period; and in all cases subject to the Committee’s holistic assessment at vesting based on business performance, individual performance or wider Company considerations.
- The Committee will review the share price performance at the end of the vesting period to determine whether there are any inappropriate windfall gains.

It should be noted that the Committee has a track record of adjusting the formulaic incentive outcomes where they do not reflect the underlying performance of the business. For example, it adjusted the 2018/19 bonus payable to the CEO downwards to reflect the “how” in the delivery of the PBT performance and more recently, a downwards adjustment from the formulaic outcome has been made to the 2019/20 bonus (see the 2019/20 Remuneration Committee Report for further details).

### Bonus Plan

The Committee is not proposing to make any changes to the structure of the Bonus Plan but, following consultation with the Board, the Committee is proposing the following performance conditions and weightings to best align with the strategy and current position of the Company:

- 25% Balance Sheet Protection;
- 15% Cost Efficiency;
- 30% Insurance Business Delivery;
- 30% Operational and Strategic Objectives.

### Rationale behind the new performance conditions for the Bonus Plan

The following points are the key reasons for the selection of the new performance conditions for the Bonus Plan for its operation in FY2020/21 (the Committee will continue to review the performance conditions on an annual basis to ensure they are appropriate):

Key Rationale	Detail
<b>Bonus Plan</b> The Committee has reviewed carefully the performance conditions and targets for the Bonus Plan to ensure a holistic approach when combined with the new proposed RSP. Under the proposed incentive structure, the Bonus Plan will be used to target financial and operational performance on an annual basis and the steps needed to align behind the longer-term strategic goals. The principal objectives behind the revised Bonus Plan are: <ul style="list-style-type: none"> <li>• Relevance and alignment with shareholders’ interests;</li> <li>• One plan for the Group Executive and Saga Leadership Team;</li> <li>• A focus on the three areas set out below which the Board believes are the most compelling drivers of value.</li> </ul> As a complement, the RSP ensures a long-term focus on sustainable performance and that the delivery of the strategy gives rise to recovery and long-term growth in shareholder returns.	
Balance Sheet Protection – 25%	The Committee believes that it is important for the Executive Directors (as well as the Group Executive and Saga Leadership Team) to ensure, over the next period, that the Company has sufficient cash to fund its existing operations and over the medium term, to make appropriate investments in the business. Focus is directed to ensuring the protection of the Saga balance sheet by building awareness and alignment of purpose throughout the eligible bonus population, on meeting the renegotiated bank covenants.
Cost Efficiency – 15%	In the Committee’s opinion this element works holistically with Balance Sheet protection by maximising efficient use of resources available to the Company through reducing costs and it builds on the first phase of the Simpler Saga programme already in delivery.
Insurance Business Delivery (and other businesses) – 30%	In the current climate and given the impact of COVID-19 on the Cruise and Travel businesses, achieving appropriate levels of success in the largest business within the Group is critical. This performance condition will be split into three components: <ul style="list-style-type: none"> <li>• EBITDA;</li> <li>• Cash and;</li> <li>• Customer retention.</li> </ul>

Key Rationale	Detail
Operational & Strategic Objectives – 30%	The Operational & Strategic Objectives will be based on quantifiable performance conditions focusing on “how” the financial performance of the Company is delivered and will include Risk and ESG based objectives.

### Rationale behind the Restricted Share Plan in the proposed New Policy

The Committee considered a range of alternative incentive structures and decided that the most appropriate approach with which to support the implementation of the new strategy over the next period was a Restricted Share Plan. The following points are the key reasons why the Committee believes the Restricted Share Plan is appropriate for the Company:

Key Rationale	Detail
Focus on recovering and enhancing shareholder value	The Remuneration Committee believes that a key measure of the success of the implementation of the new strategy is that it leads to the recovery and enhancement of the share price over the next period. The Committee believes that for a new team of Executive Directors, with minimal shareholdings, the RSP ensures that the Executive Directors become material shareholders quickly (subject to their continued employment) ensuring full alignment with shareholders’ interests from the beginning of the implementation of the new strategy.
Focus on long-term sustainable performance	It is critical that the Executive Directors are focused on ensuring the long-term sustainable performance of the Company. The implementation of the new strategy is unlikely to be linear and the Executive Directors need to be flexible and nimble on their feet to exploit opportunities as and when they arise. The Committee believes that the ability of the RSP to ensure the Executive Directors are materially locked-in shareholders for the long term, will encourage a focus, when making decisions, on considering the long-term impact on the business. However, the Committee believes that it is also important that the Executive Directors do not take their eye off the need to deliver shorter term financial and operational objectives and achieves this dynamic tension through the retention of the Bonus Plan.
Same ownership experience as shareholders	The Committee feels that it is important, given the history of Saga, that the Executive Directors share the same ownership experience as shareholders, rather than have remuneration outcomes which do not completely align. The Committee believes that a shared ownership experience is the most effective way of ensuring alignment of interests between shareholders and Executive Directors. The key purpose of the RSP and deferred share element of the Bonus Plan is to provide the Executive Directors, from their appointment with, the opportunity to quickly build up a material equity holding to provide this shared ownership experience.
Challenge of setting performance conditions for LTIP awards	<p>The Company has the following headwinds to navigate when attempting to set three-year performance conditions in advance for LTIP awards:</p> <ul style="list-style-type: none"> <li>• The flexibility required for the implementation of a new strategy to adapt to changing priorities. LTIP performance conditions once set can therefore quickly become irrelevant and the ability to change in-flight performance conditions is challenging in the current climate, and, in any case, constant adjustments of performance conditions and targets tends to lead to opacity for all stakeholders.</li> <li>• The Company operates a number of cyclical businesses on different cycles (cruise, travel and insurance). This often results in the timing of when performance conditions are set in the cycle being more important on the vesting outcomes of LTIPs than the absolute performance of the companies. The result tends to be that LTIPs operate on a “boom” or “bust” payment profile which is less relevant to both incentivisation and retention.</li> <li>• The Committee is aware from its engagement dialogue that there is a wide divergence of views between different shareholders as to the right type of performance conditions to use for Saga’s LTIP. The Committee itself has struggled with this question as can be seen from the number of shareholder consultations the Committee has held where the LTIP performance conditions were central to the discussions.</li> </ul> <p>The use of the RSP avoids the above issues. The challenge is less when setting performance conditions for the Bonus Plan which are annual and where there is greater visibility on the business over this shorter period.</p>

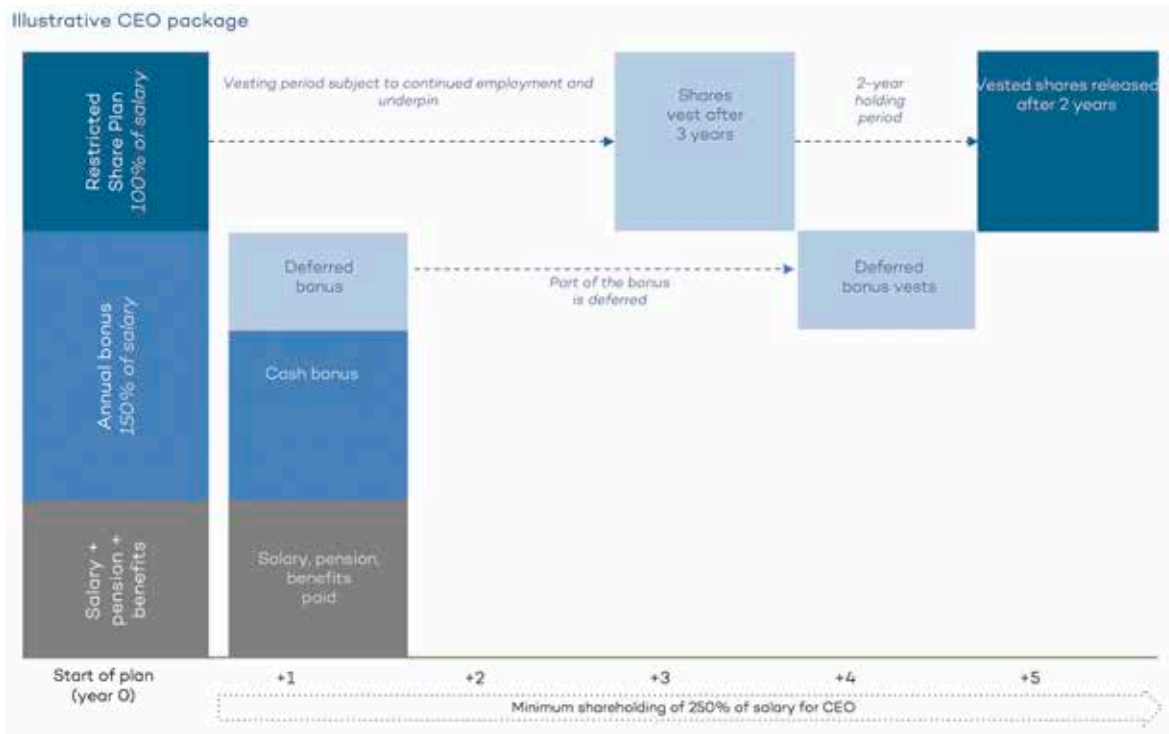
Key Rationale	Detail
Simplification	<p>The Committee believes that the removal of the LTIP and replacement with an RSP simplifies the overall remuneration of the Company for its Executive Directors. For all the reasons set out above it is the Committee's view that the build-up and retention of a material shareholding is the best and simplest way to focus Executive Directors on the long-term sustainable performance of the Company. The Bonus Plan has been operated for a number of years and is market standard and therefore familiar to all stakeholders.</p>
Lowers overall remuneration	<p>The incentive levels set in the current Remuneration Policy are as a result of the expected size and positioning of the Company at the IPO. The Committee, therefore, does feel that it is appropriate to reduce the leveraging in the incentive package given the current low market capitalisation of the Company to ensure that this low starting point does not result in overcompensation.</p>
Approach to Underpin	<p>The Committee considered very carefully the nature of the underpin for the Restricted Share Plan. The Committee took the following approach:</p> <ul style="list-style-type: none"> <li>• the inherent difficulty of setting accurate financial performance conditions for the Company as set out above which was one of the reasons for the Committee determining a traditional long-term incentive plan was not appropriate;</li> <li>• the nature of the market with material upswings and downswings which could make any financial underpins completely irrelevant when viewed at the end of the three-year vesting period; and</li> <li>• the greater protection provided by a general underpin which allowed the Committee to review holistically the overall performance of the Company, individual performance and wider Company considerations.</li> </ul> <p>The Committee, therefore, felt that the introduction of a general underpin provided greater protection for the Company and shareholders. Although a specific financial underpin could be met, there could still be a misalignment with overall performance, while this approach allows the Committee to take all factors into account on vesting. Whilst the RSP is focused on the long-term sustainable performance of the Company, the annual bonus metrics are selected to reward and incentivise performance against key annual goals. It is intended that delivery of these annual objectives and targets will ultimately flow through to long-term sustainable performance of the Company and a recovery in the share price.</p> <p>In order to protect all stakeholders from any potential windfall gain the Committee is proposing the following safeguards:</p> <ul style="list-style-type: none"> <li>• The Committee will review the share price performance at the end of the vesting period to determine whether any windfall gains have been provided through a 'bounce back' in the share price;</li> <li>• The Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting: <ul style="list-style-type: none"> <li>o whether threshold performance levels have been achieved for the performance conditions for the Bonus Plan for each of the three years covered by the vesting period for the restricted shares;</li> <li>o whether there have been any sanctions or fines issued by a Regulatory Body; participant responsibility may be allocated collectively or individually;</li> <li>o whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually;</li> <li>o the level of employee and customer engagement over the period;</li> </ul> </li> </ul> <p>and in call cases subject to the Committee's holistic assessment at vesting based on business performance, individual performance or wider Company considerations.</p>

## Other proposed changes in the New Policy

These changes have been made to bring the new Remuneration Policy into line with the 2018 UK Corporate Governance Code and best practice.

- Alignment on Company pension contributions for new and incumbent Executive Directors with the majority of employees at 6% of salary (currently).
- Introduction of post-cessation of employment shareholding requirement for the full in-employment requirement (250% of salary for the CEO, 200% of salary for other EDs) to apply for two years following cessation.
- Reduction of the target level of bonus to 50% of the maximum bonus opportunity.

## Summary illustration of the proposed New Policy



## Implementation in 2020/21

### Current Policy

In respect of the Current Policy there are no proposed salary changes for the CEO and for the CEO of Insurance who have recently been appointed. As new Executive Directors, their Company pension contribution on appointment was set at 6% in line with that available to the majority of the workforce. The CFO has agreed to reduce his Company pension contribution from 10% to 6% of salary.

The Committee believes that the CFO deserves a material rise from his current salary on the basis that:

- his initial salary was sized to reflect that this was his first appointment as CFO of a listed company;
- his excellent performance in the role since appointment;
- the view of the Board and key external stakeholders that he is now operating at the level of a FTSE 350 CFO;
- his critical role in developing and starting to implement the new strategy for the Company; and
- to bring his salary broadly into line with his predecessor.

However, both the Committee and the CFO believe that with the exceptional circumstances facing the Company and society in general resulting from COVID-19 that it would not be appropriate to increase his salary during 2020. The Committee will revisit the salary position of the CFO in Q1 2021.

### New Policy

- It is proposed that the Bonus Plan and RSP, on the basis of shareholder approval, operate as set out above.

**Shareholder consultation**

As a part of the Policy design process, we held preliminary consultations with our 5 largest shareholders seeking feedback on the proposals. We are pleased that the majority of those Shareholders initially consulted indicated that they are supportive of the proposals. Following the initial consultation, the Committee incorporated the following changes to the Policy originally proposed:

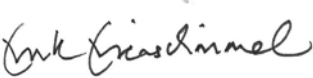
- Greater clarity on the underpin for the RSP and the specific circumstances when the Remuneration Committee may apply the underpin; and
- Greater detail on the operation of the annual bonus in conjunction with the RSP, especially how performance metrics could be used to ensure a holistic approach to incentives.

Following the initial consultation and having reflected the above amendments, we undertook a further consultation with our top 20 shareholders and the main shareholder representative bodies. I am pleased to report that the consultation with the top 20 shareholders also yielded a positive response, following which the Committee decided to proceed with the proposed changes to our Policy; with some additional changes in respect of the initial award under the RSP to reflect concerns around the potential starting share price and potential for windfall gains given COVID-19 (see above for details of the reduced level of initial awards).

**Board Recommendation**

The Board considers the proposed new Policy, including the new Restricted Share Plan, to be in the best interests of the Company and Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the ordinary resolutions set out in the Notice of Annual General Meeting.

**Yours faithfully,**



**Eva Eisenschimmel**

**Chair of the Remuneration Committee**

# Schedule 2

## Proposed New Directors' Remuneration Policy (the "New Policy")

This section of the Report sets out the Company's New Policy on remuneration for Executive and Non-Executive Directors, to be approved by shareholders at the Annual General Meeting on 22 June 2020. Once approved, the New Policy may operate for up to three years.

The New Policy has been prepared in accordance with the requirements of the UK's Companies Act 2006 (the Act) and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations), the Listing Rules of the UK Listing Authority and the UK Corporate Governance Code.

The Committee has built in a degree of flexibility to ensure the practical application of the Policy. Where such discretion is reserved, the extent to which it may be applied is described. The Company's New Policy retains its primary goal to attract, retain and motivate its leaders and to ensure they are focused on delivering business priorities within a framework designed to promote the long-term success of Saga, aligned with shareholder interests.

### CHANGES TO THE CURRENT POLICY

Element	Changes to Policy	Rationale
Pension	Pension contributions for incumbent and new Executive Directors to be aligned to that of majority of employees (currently 6%).	Brings provision to be in line with corporate governance best practice.
Long-term incentives	Introduction of Restricted Share Plan to replace current LTIP.	Simplifies long-term incentive arrangements and addresses challenges of setting performance targets given the Company's new strategy. Detailed rationale as described above.
Post-cessation shareholding requirements	Formal post-cessation employment for full in-employment requirement for 2 years following cessation	Ensures Executives' focus on long-term sustainable performance and extends the length of alignment between management and shareholders.
Malus & clawback	Provisions expanded to refer specifically to risk management failure and corporate failure.	To bring the provisions further in line with best practice.

### DIRECTORS' REMUNERATION POLICY TABLE

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
<b>Salary</b>			
Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.	<p>An Executive Director's basic salary is set on appointment and reviewed annually or when there is a change in position or responsibility.</p> <p>When determining an appropriate level of salary, the Committee considers:</p> <ul style="list-style-type: none"> <li>• pay increases to other employees;</li> <li>• remuneration practices within the group;</li> <li>• any change in scope, role and responsibilities;</li> <li>• the general performance of the group and each individual;</li> <li>• the experience of the relevant director; and</li> <li>• the economic environment.</li> </ul>	<p>The Committee ensures that maximum salary levels are positioned in line with companies of a similar size and complexity to Saga and validated against an appropriate comparator group, so that they are competitive against the market.</p> <p>The Committee intends to review the comparators each year and will add or remove companies from the groups as it considers appropriate.</p>	<p>A broad assessment of individual and business performance is used as part of the salary review.</p> <p>No recovery provisions apply.</p>

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
	<p>Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the general rises for employees until the target positioning is achieved.</p>	<p>In general salary increases for Executive Directors will be in line with the increase for employees. However, larger increases may be offered if there is a material change in the size and responsibilities of the role (which covers significant changes in Group size and/or complexity).</p> <p>The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year, the salaries for that year for each of the Executive Directors.</p>	
<b>Pension</b>			
<p>Provides a fair level of pension provision for all employees.</p>	<p>The Company provides a pension contribution allowance that is fair, competitive and in line with governance best practice.</p> <p>Pension contributions will be a non-consolidated allowance and will not impact any incentive calculations.</p>	<p>The maximum value of the pension contribution allowance for both current and newly appointed Executive Directors will be aligned to that of the wider workforce (currently 6% per annum).</p> <p>The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year the pension contributions for that year for each of the Executive Directors.</p>	<p>No performance or recovery provisions applicable.</p>
<b>Benefits</b>			
<p>Provides a market standard level of benefits.</p>	<p>Benefits may include family private health cover, death in service life assurance, a car allowance, subsistence expenses and staff discounts in line with other employees.</p> <p>The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Group strategy. Additional benefits which are available to other employees on broadly similar terms may therefore be offered such as relocation allowances on recruitment.</p>	<p>The maximum is the cost of providing the relevant benefits set out adjacent.</p>	<p>No performance or recovery provisions applicable.</p>

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
<b>Annual Bonus</b>			
<p>The Annual Bonus Plan provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.</p> <p>In particular, the Annual Bonus Plan supports the Company's objectives allowing the setting of annual targets based on the businesses' strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant and achievable.</p>	<p>The Remuneration Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary.</p> <p>The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year, the nature of the targets and their weighting for each year.</p> <p>Details of the performance conditions, targets and their level of satisfaction for the year being reported on will be set out in the Annual Report on Remuneration.</p> <p>The Remuneration Committee can determine that part of the bonus earned under the Annual Bonus Plan is provided as an award of shares under the Deferred Share Bonus Plan element (the "DBP").</p> <p>The minimum level of deferral is one-third of the bonus; however, the Committee may determine that a greater portion or in some cases the entire bonus be paid in deferred shares. The main terms of these awards are:</p> <ul style="list-style-type: none"> <li>- minimum deferral period of three years;</li> <li>- the participant's continued employment at the end of the deferral period unless he/she is a good leaver.</li> </ul> <p>The Remuneration Committee may award dividend equivalents on those shares to Plan participants to the extent that they vest. The Remuneration Committee has the discretion to apply a holding period of two years post vesting for deferred bonus shares.</p>	<p>The Remuneration Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary.</p> <p>Percentage of bonus maximum earned for levels of performance:</p> <ul style="list-style-type: none"> <li>• Threshold up to 20%;</li> <li>• Target 50%;</li> <li>• Maximum 100%.</li> </ul>	<p>The Annual Bonus Plan is based on a mix of financial and strategic/operational conditions and is measured over a period of one financial year. The financial measures will account for no less than 50% of the bonus opportunity.</p> <p>The Remuneration Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate.</p> <p>Discretion may also be exercised in cases where the Remuneration Committee believes that the bonus outcome is not a fair and accurate reflection of business, individual and wider Company performance. The exercise of this discretion may result in a downward or upward movement in the amount of bonus earned resulting from the application of the performance measures.</p> <p>Any adjustments or discretion applied by the Remuneration Committee will be fully disclosed in the following year's Remuneration Report.</p> <p>The Remuneration Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the Annual Bonus Plan in advance would not be in shareholder interests. Actual targets, performance achieved, and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any payouts under the annual bonus.</p> <p>Both the Annual Bonus Plan and the DBP contain malus provisions. In addition, the Annual Bonus Plan contains clawback provisions.</p>



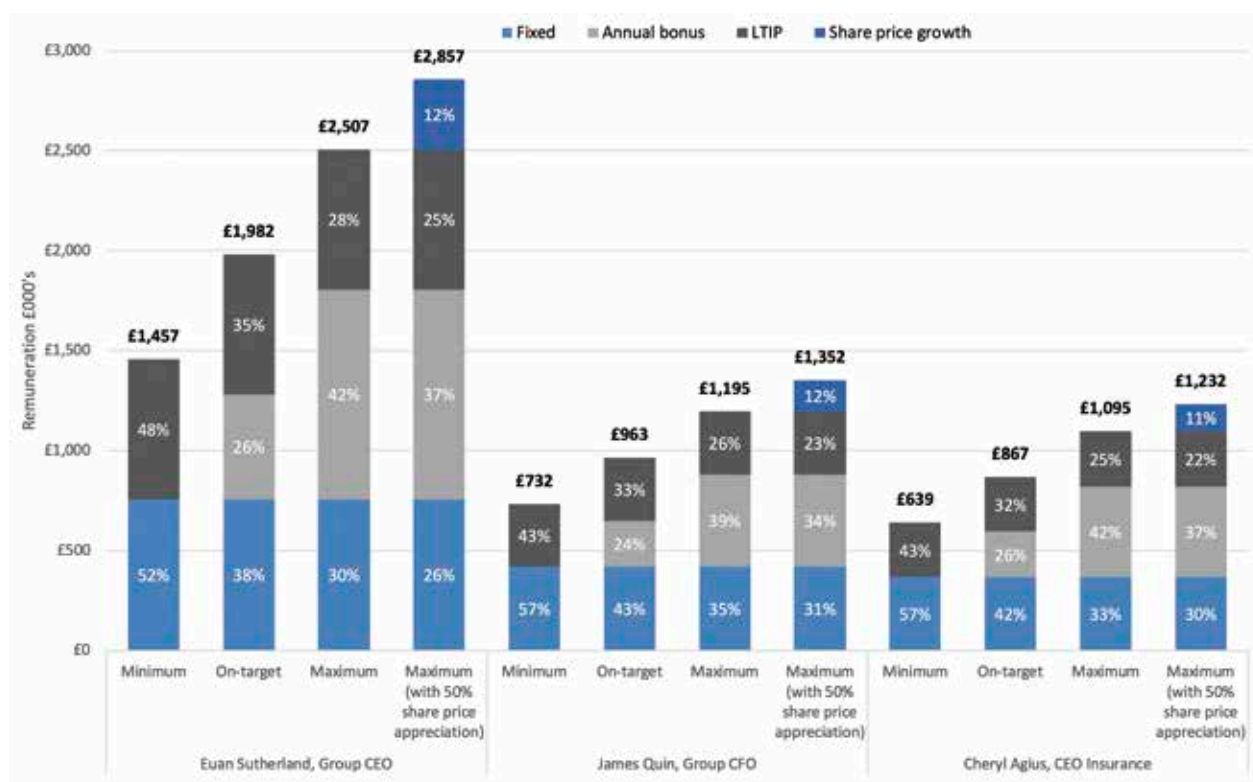
Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
<b>Restricted Share Plan</b>			
<p>Awards are designed to incentivise the Executive Directors over the longer-term to successfully implement the Company's strategy.</p>	<p>Awards are granted annually to Executive Directors in the form of restricted shares. Restricted Shares vest at the end of a three-year period subject to:</p> <ul style="list-style-type: none"> <li>• the Executive Director's continued employment at the date of vesting</li> <li>• the satisfaction of an underpin as determined by the Remuneration Committee whereby the Committee can adjust vesting for business, individual and wider Company performance</li> </ul> <p>A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors.</p> <p>Upon vesting, sufficient shares may be sold to pay tax on the shares.</p> <p>The Remuneration Committee may award dividend equivalents on awards to the extent that these vest.</p>	<p>Maximum value of 100% of salary p.a. based on the market value at the date of grant set in accordance with the rules of the Plan.</p>	<p>No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Remuneration Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.</p> <p>The Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting:</p> <ul style="list-style-type: none"> <li>• whether threshold performance levels have been achieved for the performance conditions for the Annual Bonus Plan for each of the three years covered by the vesting period for the restricted shares;</li> <li>• whether there have been any sanctions or fines issued by a Regulatory Body; participant responsibility may be allocated collectively or individually;</li> <li>• whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually;</li> <li>• the potential for windfall gains;</li> <li>• the level of employee and customer engagement over the period.</li> </ul> <p>The Restricted Share awards are subject to clawback and malus provisions.</p>

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
<b>Legacy Long Term Incentive Plan</b>			
<p>Awards are designed to incentivise the Executive Directors over the longer-term to successfully implement the Company's strategy.</p>	<p>Awards were granted annually to Executive Directors in the form of a conditional share award or nil cost option. These vest at the end of a three year period subject to:</p> <ul style="list-style-type: none"> <li>• the Executive Director's continued employment at the date of vesting</li> <li>• satisfaction of the performance conditions.</li> </ul> <p>A two year holding period will apply following the three year vesting period for LTIP awards granted to the Executive Directors. Upon vesting, sufficient shares can be sold to pay tax.</p> <p>The Remuneration Committee may award dividend equivalents on awards to the extent that these vest.</p>	<p>Subject to the approval of the 2020 Policy and the Restricted Share Plan, no further awards will be made under the LTIP to Executive Directors. Awards already granted will be eligible to vest in line with their original criteria.</p> <p>Maximum value of 200% of salary p.a. based on the market value at the date of grant set in accordance with the rules of the Plan.</p> <p>25% of the award vests for threshold performance. 100% of the award will vest for maximum performance. Straight-line vesting between these points.</p>	<p>Awards vest based on performance against stretching targets, measured over a three-year performance period.</p> <p>The Committee reviews and sets weightings and targets before each grant to ensure they remain appropriate. The Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate.</p> <p>No material change will be made to the type of performance conditions without prior shareholder consultation.</p> <p>The Remuneration Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part-way through a performance period if there is a significant and material event which causes the Remuneration Committee to believe the original measures, weightings and targets are no longer appropriate.</p> <p>Discretion may also be exercised in cases where the Remuneration Committee believes that the outcome is not a fair and accurate reflection of business performance. The exercise of this discretion may result in a downward or upward movement in the amount of the LTIP vesting resulting from the application of the performance measures.</p> <p>Details of the performance conditions for grants made in the year are set out in the Annual Report on Remuneration.</p> <p>The LTIP contains clawback and malus provisions.</p>

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
<b>Shareholding Requirement</b>			
<p>The Committee already has in place strong shareholding requirements (as a percentage of base salary) that encourages Executive Directors to build up their holdings over a five year period. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements. This policy ensures that the interests of Executive Directors and those of shareholders are closely aligned. In addition, Executive Directors will be required to retain 50% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. The following table sets out the minimum shareholding requirements:</p>			
<b>Role</b>	<b>Shareholding Requirement (percentage of salary)</b>		
Chief Executive Officer	250%		
Other Executive Directors	200%		
<p>The Committee retains the discretion to increase the shareholding requirements.</p> <p>For this New Policy, the Committee is introducing a post-cessation shareholding requirement of the full in-employment requirement as listed above (or the executive's actual shareholding on cessation if lower) for two years following cessation.</p>			
<b>Chair &amp; Non-Executive Director fees</b>			
<p>Provides a level of fees to support recruitment and retention of a Chair and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.</p>	<p>The Board is responsible for setting the remuneration of the Non-Executive Directors. The Remuneration Committee is responsible for setting the Chair's fees.</p> <p>Non-Executive Directors are paid an annual fee and additional fees for chairing of committees. The Company retains the flexibility to pay fees for the membership of committees. The Chair does not receive any additional fees for membership of committees.</p> <p>Fees are reviewed annually based on equivalent roles in the comparator group used to review salaries paid to the Executive Directors.</p> <p>Non-Executive Directors and the Chair do not participate in any variable remuneration or benefits arrangements.</p>	<p>The fees for Non-Executive Directors and the Chair are broadly set at a competitive level against the comparator group.</p> <p>In general, the level of fee increase for the Non-Executive Directors and the Chair will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce. The aggregate fee for the Non-Executive Directors and the Chair will not exceed £2,000,000.</p> <p>The Company will pay reasonable expenses incurred by the Non-Executive Directors and Chair and may settle any tax incurred in relation to these.</p>	<p>No performance or recovery provisions applicable.</p>

## ILLUSTRATION OF APPLICATION OF REMUNERATION POLICY

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the proposed New Policy set out in this Report and is based on the normal Restricted Share Plan award level, rather than the lower initial award:



Assumptions used in determining the level of pay-out under given scenarios are as follows:

Element	Minimum	Target	Maximum	Maximum with 50% share price growth
Fixed Elements	Base salary for FY2021. Benefits paid for FY2020 annualised for full year equivalent figures. Pension in line with Policy at 6% of salary.			
Annual Bonus	Nil	50% of maximum opportunity	100% of the maximum opportunity	100% of the maximum opportunity
Restricted Shares	100% vesting of Restricted Shares. Award levels are 100% of salary for the CEO, 85% of salary for the CFO and 75% of salary for the CEO of Insurance.	100% vesting of Restricted Shares. Award levels are 100% of salary for the CEO, 85% of salary for the CFO and 75% of salary for the CEO of Insurance.	100% vesting of Restricted Shares Award levels are 100% of salary for the CEO, 85% of salary for the CFO and 75% of salary for the CEO of Insurance.	100% vesting of Restricted Shares plus the increase in value from 50% share price growth. Award levels are 100% of salary for the CEO, 85% of salary for the CFO and 75% of salary for the CEO of Insurance.

Scenario charts show “minimum”, “target” and “maximum” scenarios in accordance with the regulations as well as the impact of a 50% share price growth on the long-term incentives for the “maximum” scenario. All scenarios do not account for dividend equivalents on deferred bonus shares or Restricted Share awards.

### Discretion within the Directors’ Remuneration Policy

The Committee has discretion in several areas of Policy as set out in this Report. The Committee may also exercise operational and administrative discretions under relevant plan rules as set out in those rules. In addition, the Committee has the discretion to amend Remuneration Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

### Malus and Clawback

Malus is the adjustment of the Annual Bonus payments or invested long-term incentive awards (including restricted share plan awards) because of the occurrence of one or more circumstances listed below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the Annual Bonus or vested long-term incentive awards (including restricted share plan awards) as a result of the occurrence of one or more circumstances listed below.

Clawback may apply to all or part of a participant's payment under the Annual Bonus Plan, Restricted Share Plan or LTIP award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses.

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company,
- the discovery that any information used to determine the award was based on error, or inaccurate or misleading information;
- action or conduct of a participant which amounts to fraud or gross misconduct;
- events or the behaviour of a participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant;
- Failure of risk management including but not limited to a material breach of risk appetite and regulatory standards; or
- Corporate failure.

	Annual Bonus (cash)	Annual Bonus (deferred shares)	Restricted Shares	LTIP
Malus	Up to the date of the cash payment.	To the end of the 3 year vesting period.	To the end of the 3 year vesting period.	To the end of the 3 year vesting period.
Clawback	2 years post the date of any cash payment.	n/a	2 years post vesting.	2 years post vesting.

The Committee believes that the rules of the Plans provide sufficient powers to enforce malus and clawback where required.

#### Loss of Office Policy

When considering compensation for loss of office, the Committee will always seek to minimise the cost to the Company whilst applying the following philosophy:

Remuneration Element	Treatment on Cessation of Employment		
<b>General</b>	The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.		
<b>Salary, Benefits and Pension</b>	These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu.		
<b>Bonus Cash</b>	<b>Good Leaver Reason</b>	<b>Other Reason</b>	<b>Discretion</b>
	Performance conditions will be measured at the bonus measurement date. Bonus will normally be pro-rated for the period worked during the financial year.	No bonus payable for year of cessation.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>• to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders; and</li> <li>• to determine whether to pro-rate the bonus to time. The Remuneration Committee's normal policy is that it will pro-rate bonus for time. It is the Remuneration Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.</li> </ul>

Bonus Deferred Share Awards	Good Leaver Reason	Other Reason	Discretion
	All subsisting deferred share awards will vest.	Lapse of any unvested deferred share awards.	<p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>• to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>• to vest deferred shares at the end of the original deferral period or at the date of cessation. The Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation; and</li> <li>• to determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Remuneration Committee's normal policy is that it will not pro-rate awards for time. The Remuneration Committee will determine whether or not to pro-rate based on the circumstances of the Executive Directors' departure.</li> </ul>
LTIP	Good Leaver Reason	Other Reason	Discretion
	Pro-rated to time and performance in respect of each subsisting LTIP award.	Lapse of any unvested LTIP awards.	<p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>• to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>• to measure performance over the original performance period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation;</li> <li>• to determine to vest shares at the end of the original performance period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation;</li> <li>• to determine whether the holding period will apply in full or in part. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation; and</li> <li>• to determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Remuneration Committee's normal policy is that it will pro-rate awards for time. It is the Remuneration Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.</li> </ul>

<b>Restricted Share Plan For the Year of Cessation</b>	<b>Good Leaver Reason</b>	<b>Other Reason</b>	<b>Discretion</b>
	The award will normally be pro-rated for the period worked during the financial year.	No award for year of cessation.	<p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>to determine whether to pro-rate the Company award to time. The Remuneration Committee's normal policy is that it will pro-rate for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>to determine whether the award will vest on the date of cessation or the original vesting date. The Committee will make its determination based amongst other factors on the reason for the cessation of employment.</li> </ul>
<b>Subsisting Awards</b>	<b>Good Leaver Reason</b>	<b>Other Reason</b>	<b>Discretion</b>
	Awards will be pro-rated to time and will vest on their original vesting dates and remain subject to the holding period.	Unvested awards will be forfeited on cessation of employment. Vested Awards will remain subject to the holding period.	<p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>to determine whether to pro-rate the award to the date of cessation. The Committee's normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the Executive Directors' departure;</li> <li>to determine whether the awards vest on the date of cessation or the original vesting date. The Committee will make its determination based amongst other factors on the reason for the cessation of employment;</li> <li>to determine whether the holding period for awards applies in part or in full. The Committee will make its determination based amongst other factors on the reason for the cessation of employment.</li> </ul>
<b>Other contractual obligations</b>	There are no other contractual provisions other than those set out above agreed prior to 27 June 2012.		

The following definition of leavers will apply to all the above incentive plans. A good leaver reason is defined as cessation in the following circumstances:

- death;
- ill-health;
- injury or disability;
- retirement;
- employing company ceasing to be a Group company;
- transfer of employment to a company which is not a Group company; and
- at the discretion of the Committee (as described above).

Cessation of employment in circumstances other than those set out above is cessation for other reasons.

## CHANGE OF CONTROL POLICY

Name of Incentive Plan	Change of Control	Discretion
Cash Awards	Pro-rated to time and performance to the date of the change of control.	The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders.
Deferred Share Awards	Subsisting deferred share awards will vest on a change of control.	The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will make this determination depending on the circumstances of the change of control.
LTIP	The number of shares subject to subsisting LTIP awards will vest on a change of control, pro-rated to time and performance.	The Committee has discretion regarding whether to pro-rate the LTIP awards to time. The Committee's normal policy is that it will pro-rate the LTIP awards for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders.
Restricted Shares	The number of shares subject to subsisting Restricted Share awards will vest on a change of control pro-rated for time and performance against any underpins.	The Committee has discretion regarding whether to pro-rate the Restricted Share awards for time. The Committee's normal policy is that it will pro-rate the Restricted Share awards for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders. The Committee also has discretion to consider attainment of any underpins.

## RECRUITMENT AND PROMOTION POLICY

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles as for the Executive Directors, as set out in the Remuneration Policy table. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate calibre and experience needed for the role. In setting the remuneration for new recruits, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments as well as giving consideration for the appropriateness of any performance measures associated with an award. The Company's policy when setting remuneration for the appointment of new Directors is summarised in the table below:-

Remuneration element	Recruitment policy
Salary, Benefits and Pension	Salary and benefits will be set in line with the policy for existing Executive Directors. Maximum pension contribution will be aligned to that of the majority of employees.
Annual Bonus	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 150 % of salary.
Restricted Shares	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 100% of salary for Restricted Shares.
Maximum Variable Remuneration	The maximum variable remuneration which may be granted is the sum of the annual bonus and restricted shares award (excluding the value of any buy-outs). For the proposed Policy under the Restricted Share Plan, the maximum variable remuneration will be 250% of salary.
"Buy Out" of incentives forfeited on cessation of employment	<p>Where the Committee determines that the individual circumstances of recruitment justifies the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following:</p> <ul style="list-style-type: none"> <li>the proportion of the performance period completed on the date of the Executive Director's cessation of employment;</li> <li>the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and</li> <li>any other terms and condition having a material effect on their value ("lapsed value");</li> </ul> <p>The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.</p>
Relocation Policies	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Company may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case by case basis but will take into consideration any cost of living differences/housing allowance and schooling and will not exceed a period of two years from recruitment.

Where an existing employee is promoted to the Board, the Policy set out above would apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the remuneration report for the relevant financial year.



The Company's Policy when setting fees for the appointment of a new Chair or Non-Executive Directors is to apply the policy which applies to current Non-Executive Directors.

## SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

The Remuneration Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Remuneration Committee may in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment. The Non-Executive Directors of the Company do not have service contracts. The Non-Executive Directors are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period.

The Company follows the UK Corporate Governance Code's recommendation that all Directors be subject to annual re-appointment by shareholders.

Executive Directors					
Name	Date appointed	Nature of contract	Notice periods		Compensation provisions for early termination
			From Company	From Director	
Euan Sutherland	6 January 2020	Rolling	12 months	12 months	None
James Quin	1 January 2019	Rolling	6 months	6 months	None
Cheryl Agius	1 January 2020	Rolling	12 months	12 months	None

Non-executive Directors				
Name	Original appointment	Appointment of current term	Arrangement	Notice period/unexpired term at AGM
Patrick O'Sullivan	01/05/2018	01/05/2018	Letter of appointment	3 months/11 months
Orna NiChionna	29/05/2014	29/05/2017	Letter of appointment	3 months/term to be renewed May 2020
Ray King	29/05/2014	29/05/2017	Letter of appointment	3 months/stepping down at AGM
Gareth Williams	29/05/2014	29/05/2017	Letter of appointment	3 months/stepping down in December 2020
Julie Hopes	01/10/2018	01/10/2018	Letter of appointment	3 months/16 months
Eva Eisenschimmel	01/01/2019	01/01/2019	Letter of appointment	3 months/19 months
Gareth Hoskin	11/03/2019	11/03/2019	Letter of appointment	3 months/28 months

The Board allows Executive Directors to accept appropriate outside Non-Executive Director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

### Consideration of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Team, the Remuneration Committee considers a report prepared by the Chief People Officer detailing base pay and share schemes practice across the Company. The report provides an overview of how employee pay compares to the market and any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK.

While the Company does not directly consult with employees as part of the process of reviewing executive pay and formulating the Remuneration Policy, the Company does receive an update and feedback from the broader employee population on an annual basis using an engagement survey which includes a number of questions relating to remuneration. The Company does not use remuneration comparison measurements.

The Group aims to provide a remuneration package for all employees that is market competitive and operates the same core structure as for the Executive Directors. The Group operates employee share and variable pay plans, with pension provisions provided for all Executive Directors and employees. In addition, any salary increases for Executive Directors are expected to be generally in line with those for UK-based employees. The Committee annually publishes a section on Fairness, diversity and wider workforce considerations as part of the Directors' Remuneration Report.

### Consideration of shareholder views

The Remuneration Committee takes the views of the shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Remuneration Committee welcomes an open dialogue with its shareholders on all aspects of remuneration. The Committee consulted its major shareholders and the main shareholder representative bodies IA, ISS and Glass Lewis on the proposed New Policy. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation the majority of shareholders consulted indicated they were supportive of the New Policy.

### Compliance with UK Corporate Governance Code

The following table sets out how the New Policy aligns with the UK Corporate Governance Code whose objective is to ensure the remuneration operated by the Company is aligned to all stakeholder interests including those of shareholders:

Key Remuneration Element of the 2018 UK Corporate Governance Code	Alignment with our proposed new Remuneration Policy
Five-year period between the date of grant and realisation for equity incentives.	The Restricted Share Plan meets this requirement through the implementation of the 2-year post-vesting holding period.
Phased release of equity awards.	The Restricted Share Plan meets this requirement as awards are made in an annual cycle.
Discretion to override formulaic outcomes	Included in the terms and conditions of the Bonus Plan and the Restricted Share Plan.
Post-cessation shareholding requirement	The full in-employment requirement for two years following cessation of employment.
Pension alignment	The pension contribution for all Executive Directors aligned with the majority of employees at 6%.
Extended malus & clawback	The proposed malus and clawback provisions are formally enhanced to align with the FRC's Board Effectiveness Guidance.

Provision 4O element	How the Remuneration Policy aligns
<b>Clarity</b> – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	<p>The Bonus Plan performance conditions are based on the core KPIs of the strategy and therefore there is a clear link to all stakeholders between their delivery and reward provided to management.</p> <p>The Restricted Share Plan provides annual grants of shares which have to be retained for the longer-term to ensure a focus on sustainable performance. This provides complete clarity of the alignment of the interests of management and shareholders.</p>
<b>Simplicity</b> – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	<p>The performance conditions for the Bonus Plan are based on the Company's KPIs. This alignment of reward with the delivery of key markers of the success of the implementation of the strategy ensures simplicity.</p> <p>Restricted Shares are a simple mechanism and avoid the setting of long-term performance conditions which tend to inherently make the remuneration more complex.</p>
<b>Risk</b> – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	<p>The Remuneration Policy includes:</p> <ul style="list-style-type: none"> <li>• setting defined limits on the maximum awards which can be earned;</li> <li>• requiring the deferral of a substantial proportion of the incentives in shares for a material period of time;</li> <li>• aligning the performance conditions with the strategy of the Company;</li> <li>• ensuring a focus on long-term sustainable performance through the Restricted Share Plan;</li> <li>• ensuring there is sufficient flexibility to adjust payments through malus and clawback and an overriding discretion to depart from formulaic outcomes.</li> </ul> <p>These elements mitigate against the risk of target-based incentives by:</p> <ul style="list-style-type: none"> <li>• limiting the maximum value that can be earned;</li> <li>• deferring the value in shares for the long-term which helps ensure that the performance earning the award was sustainable and thereby discouraging short term behaviours;</li> <li>• aligning any reward to the agreed strategy of the Company;</li> <li>• the use of a Restricted Share Plan supports a focus on the sustainability of the performance over the longer term;</li> <li>• reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate;</li> <li>• reducing the awards or cancelling them, if it appears that the criteria on which the award was based do not reflect the underlying performance of the Company.</li> </ul>
<b>Predictability</b> – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	<p>The Remuneration Policy sets out clearly the range of values, limits and discretions in respect of the remuneration of management.</p> <p>The introduction of a Restricted Share Plan increases the predictability of the rewards received by management.</p>
<b>Proportionality</b> – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	<p>The Remuneration Policy sets out clearly the range of values and discretions in respect of the remuneration of management.</p> <p>The introduction of a Restricted Share Plan increases the predictability of the rewards received by Executive Directors, and the Bonus Plan, being based on annual targets, operates over a more predictable time cycle compared with traditional LTIP schemes thereby allowing the Remuneration Committee to more effectively ensure desirable remuneration outcomes. The Committee's overriding discretion to depart from formulaic outcomes ensures there is no reward for poor performance.</p>
<b>Alignment to culture</b> – incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	<p>The Bonus Plan drives behaviours consistent with Saga's strategy.</p> <p>The Restricted Share Plan drives behaviours consistent with the Company's purpose and values which are focused on the long-term future of the business throughout the business cycle.</p>

# Schedule 3

## Summary of the principal terms of the Saga plc 2020 Restricted Share Plan (the “Restricted Share Plan”)

### 1. THE RESTRICTED SHARE PLAN (THE “RSP”)

Terms	Definition
Close Period	Period when trading in the Company's Shares is prohibited.
Company	Saga plc registered number 08804263; and Group Company shall be construed accordingly.
Committee	The Remuneration Committee of the Board of the Company.
Participant	An eligible employee who holds a subsisting award under the RSP.
Shares	Ordinary shares of the Company

Element	Key term
<b>Eligibility</b>	Executive Directors and Senior Management. At the discretion of the Committee, other employees may participate in the RSP. Non-Executive Directors are not eligible to participate in the RSP.
<b>Quantum</b>	The Committee may grant awards over Shares to eligible employees with a maximum total market value in any financial year of up to 100% of the relevant individual's annual base salary.
<b>Performance conditions</b>	No performance conditions on grant. The Committee has discretion to adjust vesting if business performance, individual performance or wider Company considerations mean in their view that an adjustment is required.
<b>Vesting</b>	RSP awards will normally vest on the third anniversary of the date of grant subject to continued employment, the satisfaction of any applicable performance condition or other condition imposed by the Committee, and to the extent permitted following any operation of malus and clawback. However, if there are any dealing restrictions in place at that time, normal vesting may be delayed until the dealing restrictions have been lifted. RSP Options will normally remain exercisable for a period determined by the Committee at grant which cannot exceed 10 years from grant.
<b>Holding Period</b>	RSP awards for Executive Directors will be subject to a two-year holding period following vesting when the Shares vested cannot be sold. The Committee may also include Sale Restrictions of up to two years for other Participants in the Plan. The Sales Restriction period will run for two years from the vesting date where this occurs three years from the date of grant. The Sales Restriction period continues after employment ceases and malus/clawback can still affect awards but can end early in the case of certain corporate events; death of a Participant; or at the discretion of the Committee.
<b>Cessation of employment</b>	<b>For the Year of Cessation</b> <b>Good leavers:</b> The award will normally be pro-rated for the period worked during the financial year. <b>Other leavers:</b> No award for year of cessation. <b>Discretion:</b> The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>to determine whether to pro-rate the Company award to time. The Remuneration Committee's normal policy is that it will pro-rate for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>to determine whether the award will vest on the date of cessation or the original vesting date. The Committee will make its determination based amongst other factors on the reason for the cessation of employment.</li> </ul>

	<p><b>Subsisting Awards</b></p> <p><b>Good leavers:</b> Awards will be pro-rated to time and will vest on their original vesting dates and remain subject to the holding period.</p> <p><b>Other leavers:</b> Unvested Awards will be forfeited on cessation of employment. Vested Awards will remain subject to the holding period.</p> <p><b>Discretion:</b> The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>• to determine that an Executive Director is a good leaver. It is the Committee’s intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders;</li> <li>• to determine whether to pro-rate the award to the date of cessation. The Committee’s normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the Executive Director’s departure;</li> <li>• to determine whether the awards vest on the date of cessation or the original vesting date. The Committee will make its determination based amongst other factors on the reason for the cessation of employment;</li> <li>• to determine whether the holding period for awards applies in part or in full. The Committee will make its determination based amongst other factors on the reason for the cessation of employment.</li> </ul>
<p><b>Change of control</b></p>	<p><b>For the Year of the Change of Control</b></p> <p>The award will normally be pro-rated to the date of the change of control.</p> <p><b>Discretion:</b> The Committee has the following element of discretion:</p> <ul style="list-style-type: none"> <li>• to determine whether to pro-rate the award to time. The Committee’s normal policy is that it will pro-rate for time. It is the Committee’s intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.</li> </ul> <p><b>Subsisting Awards</b></p> <p>The awards will vest on the date of the change of control pro-rated to time and the holding period will not apply.</p> <p><b>Discretion:</b> The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> <li>• to determine whether the satisfaction of awards should be in cash or shares or a combination of both;</li> <li>• to determine whether to pro-rate awards on change of control. The Committee’s normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the change of control.</li> </ul>

**2. PROVISIONS APPLYING TO THE RSP (THE “PLAN”)**

**Operation**

The Committee supervises the operation of the Plan in respect of the employees of the Company, including the Executive Directors. The Committee has the discretion to make awards at any time where they consider the circumstances appropriate. No awards will be granted during a Close Period.

**Grants of awards**

Any Share awards granted under the Plan may normally only be granted during the 42 days beginning on: (i) the date of shareholder approval of the Plan; (ii) the day after the announcement of the Company’s results; (iii) any day on which the Committee determines that circumstances are sufficiently exceptional to justify the grant of the Share award at that time; or (iv) the day after the lifting of any dealing restrictions. Awards may be granted for up to ten years from the date of approval by shareholders and can be in the form of options over Shares (the “Options”), a conditional right to acquire Shares (the “Conditional Share Awards”), or Shares which are subject to restrictions and the risk of forfeiture (the “Restricted Shares”). No consideration is payable by Participants to receive an award and Participants will make either a nominal or nil payment for the release of Shares or exercise of an Option under the award, as determined by the Committee. No awards may be granted more than ten years from the date when the Plan was approved by shareholders.

**Dilution**

The Plan may operate over new issue Shares, treasury Shares or Shares purchased in the market.

The rules of the Plan each provide that, in any rolling 10 year period (i) not more than 10% of the Company’s issued Shares may be issued under the Plan and under any other employees’ share scheme operated by the Company; and (ii) not more than 5% of the Company’s Shares may be issued under the Plan and under any other executive share scheme adopted by the Company. Shares issued out of treasury under the Plan will count towards these limits for so long as this is required under institutional shareholder guidelines. In addition, awards which are renounced, or lapse shall be disregarded for the purposes of these limits.

## **Dividend Equivalents**

The Committee may decide that awards under the Plan will include a payment (normally in additional Shares but may be in cash) equal in value to any dividends that would have been paid on the Shares which vest under an award by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie, at the discretion of the Committee. The Committee has discretion to use a different method to calculate the value of dividends.

## **Malus and clawback**

Malus provisions apply to all elements of the Plan. Malus is the adjustment of unvested awards because of the occurrence of one or more circumstances. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of vested awards or payments under the Plan as a result of the occurrence of one or more circumstances. Clawback may apply to all or part of a Participant's award or payment under the Plan and may be effected, among other means, by requiring the transfer of Shares, payment of cash or reduction of awards or bonuses.

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company;
- the assessment of any vesting condition or condition in respect of an award under the Plan was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the award was based on error, or inaccurate or misleading information;
- action or conduct of a Participant which amounts to fraud or gross misconduct;
- events or the behaviour of a Participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Committee is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the Participant;
- Material failure of risk management including but not limited to a material breach of risk appetite and regulatory standards; or
- Corporate failure.

The following sets out the periods during which malus and clawback may be effected:

- Malus – any time to the point of vesting or payment.
- Clawback – 2 years from the date of vesting or payment.

## **Taxation**

The vesting and exercise of awards are conditional upon the Participant paying any taxes due.

## **Allotment and Transfer of Shares**

Shares allotted by the Company or transferred by the Trustee of the Employee Trust will not rank for dividends payable if the record date for the dividend falls before the date on which the Shares are acquired by the Participant. An application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's main market for listed securities following the vesting and/or exercise of awards.

## **Variation of Share Capital**

On a variation of the capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the number of Shares subject to awards and their terms and conditions may be adjusted in such manner as the Committee determines is appropriate.

## **Duration**

The Plan will operate for a period of ten years from the date of approval by shareholders. The Committee may not grant awards under the Plan after the tenth anniversary of approval.

## **Amendments**

Amendments to the rules of the Plan may be made at the discretion of the Committee.

Prior shareholder approval is generally required for amendments to the advantage of Participants which are made to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, awards under the Plan, the adjustments that may be made in the event of any variation to the Share capital of the Company and/or the rule relating to such prior approval except for amendments which are of a minor nature and benefits the administration of the Plan or is necessary or desirable in order to take account of a change in legislation or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company or any Group company.

No change to subsisting awards to the material disadvantage of a Participant can normally be made except as a result of a legal or regulatory requirement or where Participants are notified of such amendment and the majority of Participants approve such amendment.

## **General**

Shares acquired and awards and any other rights granted pursuant to the Plan are non-pensionable.

## **Non-Transferability of Awards**

Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of inheritance and distribution.

## **Alternative Settlement**

At its discretion, the Committee may decide to satisfy Plan awards with a payment in cash or Shares equal to any gain that a Participant would have made had the relevant award been satisfied with Shares.

## **Rights attaching to shares:**

Except in relation to the award of forfeitable restricted shares, Shares issued and/or transferred under the Plan will not confer any rights on any Participant until the relevant award has vested or the relevant Option has been exercised and the Participant in question has received the underlying Shares. Any Shares allotted when an Option is exercised or an award vests will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue). A Participant awarded forfeitable shares subject to restrictions will have the same rights as a holder of Shares in issue at the time that the Participant acquires the Shares, except to the extent set out in the agreement with the Participant relating to those Shares.

## **Overseas plans**

The Committee may, at any time, establish further plans based on the Plan for overseas territories. Any such plan shall be similar to the Plan, as relevant, but modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the Plan.

## **Employee Trust**

The Company may utilise the existing discretionary employee benefit trust, The Saga Employee Benefit Trust (the "EBT") which includes any successor trust set up in connection with the Company's employee share schemes), in order to meet obligations due under the Plan. The Trustee of the EBT has full discretion with regard to the application of the trust fund (subject to recommendations from the Committee). The Company will be able to fund the EBT to acquire Shares in the market and/or to subscribe for Shares at nominal value in order to satisfy awards granted under the Plan. Any Shares issued to the EBT in order to satisfy awards under the Plan will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Shares acquired by the EBT in the market will not count towards these limits. In addition, unless prior Shareholder approval is obtained, the EBT will not hold more than 5% of the issued share capital of the Company at any one time (other than for the purposes of satisfying awards of Shares that it has granted).]

***Note: This Schedule 3 summarises the main features of the Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Plan Rules. Copies of the Plan Rules will be available for inspection at the Company's registered office at Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE during usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of dispatch of the Notice of the Annual General Meeting up to and including the date of the Meeting. Copies of the Plan Rules will also be made available at Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE (where the 2020 AGM will be held) for 30 minutes before and after the Annual General Meeting and during the Meeting. The Directors reserve the right, up to the time of the AGM, to make such amendments and additions to the rules of the Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Schedule 3.***







**Registered office:**

**Saga plc**

Enbrook Park

Sandgate

Folkestone

Kent

CT20 3SE

Registered in England and Wales No: 08804263

**Registrar Shareholder Enquiries**

Saga Shareholder Services

Tel: 0800 015 5429

Email: [enquiries@sagashareholder.co.uk](mailto:enquiries@sagashareholder.co.uk)

**Investor relations**

Mark Watkins (Director of Investor Relations)

Email: [mark.watkins@saga.co.uk](mailto:mark.watkins@saga.co.uk)

**Shareholder queries**

Meena Mahatheva (Investor Relations Manager)

Tel: 020 3846 5114

Email: [investor.relations@saga.co.uk](mailto:investor.relations@saga.co.uk)





# ATTENDANCE CARD

## Saga plc – Annual General Meeting (AGM), 22 June 2020, 11.00am

**Saga plc (the ‘Company’) Annual General Meeting to be held at: Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE and by electronic means.**

You may vote online using the Saga Shareholder Services Portal at [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk) or send the Form of Direction to the Freepost address overleaf to arrive as soon as possible and not later than 11.00am on 17 June 2020. You may also deliver it by hand to The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during business hours.

Please see Notes overleaf for further instructions on completing and returning the form.

**If you wish to attend the AGM electronically in your capacity as a holder of ordinary shares in the capital of Saga plc, please follow the instructions set out below and in the Notice of AGM.**

### Electronic attendance:

You may attend the AGM online using your smartphone, tablet or computer. If you choose to participate online, you will be able to view a live webcast of the meeting, ask the directors questions and submit your votes in real time. To join the meeting electronically, you will need to either:

- a) Download the Lumi AGM app from the Apple Store or Google Play Store by searching for “Lumi AGM”; or
- b) Visit <https://web.lumiagm.com> from your device.

To log in to the meeting, you must have the meeting ID and your unique login ID and your pin code to hand. These can be found on the notification correspondence sent to you. The meeting ID is: **133-651-038**.

PLEASE DETACH FORM BELOW AND RETURN TO FREEPOST ADDRESS

## Saga plc AGM Form of Direction

IVC Barcode:

Name:

Event Code:

L940A02120

Meeting ID: **133-651-038**

I/We instruct Link Market Services Trustees (Nominees) Limited to appoint the Chairman of the meeting, or the person named below, as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at 11.00am on Monday 22 June 2020 and at any adjournment thereof.

Name of proxy:

Number of Shares proxy is appointed over:

\*Please leave this blank to appoint the Chairman – do not insert your own name.

If left blank this proxy will be applied to your full entitlement.

Please mark 'X' here if this proxy appointment is one of multiple appointments being made (see note 1).

I/We have indicated with an 'X' how I/we wish my/our votes to be cast on the resolutions set out below. I/We direct that my/our proxy will vote (or abstain from voting) as they think fit for me/us and on my/our behalf on any other matter which may properly come before the AGM or any adjournment thereof:

If you wish to vote 'For' all resolutions, in accordance with the Board's recommendation, tick here  then sign and date below (see note 7).

RESOLUTIONS	Please mark 'X' to indicate how you wish to vote			RESOLUTIONS	Please mark 'X' to indicate how you wish to vote		
	For	Against	Withheld		For	Against	Withheld
<b>Ordinary Resolutions</b>				<b>Ordinary Resolutions</b>			
1. to receive the annual report and accounts and director and auditor reports for year ended 31 January 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. to re-appoint KPMG LLP as auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. to approve the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. to authorise the Audit Committee to agree the remuneration of the auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. to approve the Saga plc 2020 Restricted Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. to authorise the Directors to make political donations and expenditure up to a specified amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. to approve the Directors' Remuneration Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. to authorise the Directors to allot shares up to a specified amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. to re-elect Patrick O'Sullivan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Special Resolutions</b>			
6. to re-elect James Quin as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. to authorise the Directors to allot shares and sell treasury shares for cash without making a pre-emptive offer to shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. to re-elect Orna NiChionna as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. to authorise the Directors to allot shares and sell treasury shares for cash without making a pre-emptive offer to shareholders (in connection with capital investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. to re-elect Eva Eisenschimmel as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. to authorise the Company to purchase its own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. to re-elect Julie Hopes as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. to authorise the Company to hold general meetings on not less than 14 days' notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. to re-elect Gareth Hoskin as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
11. to re-elect Gareth Williams as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
12. to elect Euan Sutherland as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
13. to elect Cheryl Agius as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

I would like to receive a paper Form of Direction for the 2021 AGM (see note 12).

## Notes

1. If you hold shares in the Saga Shareholder Account, your shares are held on your behalf in the name of Link Market Services Trustees (Nominees) Limited, a wholly owned subsidiary of the administrators of the Saga Shareholder Account, Link Market Services Trustees Limited. Link Market Services Trustees (Nominees) Limited is the registered shareholder but you can tell them how you want the votes in respect of your shares to be cast at the AGM. If you would prefer to attend, and/or vote at the Annual General Meeting electronically, or appoint someone else to attend the Annual General Meeting and vote on your behalf, you must confirm this to Link Market Services Trustees (Nominees) Limited using the details provided at [www.sagashareholder.com](http://www.sagashareholder.com) or on this Form of Direction. A proxy need not be a member of the Company but must attend the AGM to represent you. You can instruct Link Market Services Trustees (Nominees) Limited to appoint more than one person to attend the meeting and vote on your behalf. You may photocopy this form indicating the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) or contact Link Asset Services for additional copies of this form. If you do not write the number of shares to which the proxy appointment relates then we'll assume your instructions relate to all shares which the voting form is for.

### IMPORTANT: COVID-19

Appointing the Chairman of the meeting as your proxy, will ensure your votes are cast in accordance with your wishes given that the UK Government's current restrictions mean that neither you nor any other person you might appoint as your proxy will be able to attend the meeting in person. Appointing a proxy in this way will not prevent you from attending and voting at the AGM electronically.

2. Details of the resolutions are contained in the notice of annual general meeting and the explanatory notes (the '2020 AGM Notice'). The 2020 AGM Notice is also available at [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk) together with the 2020 Annual Report and Accounts, or copies can be requested from Link Asset Services. You are advised to read the 2020 AGM Notice before completing this Form of Direction.
3. To be valid, the Form of Direction (the 'Form') overleaf must be deposited with the Company's Registrars, Link Asset Services, not later than 11.00am on 17 June 2020 (or if the AGM is adjourned, 72 hours before the time fixed for the adjourned AGM, excluding any UK non-working days). You may also deliver it by hand to The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during usual business hours or electronically using the Saga Shareholder Services Portal at [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk).

4. In the case of joint holders, the signature of any of them will suffice, but the names of all joint holders should be shown, and the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of holders in respect of the joint holding.
5. A corporation must execute the Form of Direction under either its common seal or the hand of a duly authorised officer or attorney.
6. The Form is for use in respect of the account specified overleaf only and should not be amended or submitted in respect of a different account.
7. If you choose to vote 'For' all resolutions by ticking the box overleaf and subsequently tick 'Against' or 'Withheld' for individual resolutions, then these selections will be honoured.
8. The 'Vote Withheld' option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a resolution. If you do not indicate how you wish your votes to be cast, you will be deemed to have instructed your proxy to vote or abstain from voting at his/her discretion. Your proxy will also vote or abstain from voting as he or she thinks fit on any other business (including amendments to the resolutions) which may properly come before the AGM.
9. Only holders of ordinary shares or their duly appointed representatives are entitled to attend and vote at the AGM. Submission of the Form will not preclude you from attending and voting electronically at the AGM. Link Market Services Trustees (Nominees) Limited must vote as you instruct.

### RETURNING YOUR FORM OF DIRECTION

10. You can return the Form of Direction to the return address printed on the back of the form. **If you do not wish the Form of Direction to be seen by anyone except the Company and the Registrar, you should post it in an envelope to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA.** Please note that delivery using this service can take up to five business days.
11. Shareholders outside the UK can reply by posting the Form of Direction in an envelope to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4TU. You will need to pay for the postage.

### PAPER FORM OF DIRECTION CARDS

12. Please note that we no longer send paper Form of Direction cards by default. If you require a paper card, please contact our Registrar, Link Asset Services on an annual basis prior to the AGM. If you want a paper card for the 2021 AGM, please tick the box overleaf and return the form as instructed.

Saga plc is registered in England & Wales No. 08804263.  
Registered office; Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE

NSL-GS1755

XX/XXX/XXX/XX/XXX

Business Reply Plus  
Licence Number  
RLUB-TBUX-EGUC



PXS 1  
34 Beckenham Road  
BECKENHAM  
BR3 4ZF



# ATTENDANCE CARD

## Saga plc – Annual General Meeting (AGM), 22 June 2020, 11.00am

**Saga plc (the ‘Company’) Annual General Meeting to be held at: Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE and by electronic means.**

You may vote online using the Saga Shareholder Services Portal at [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk) or send the Form of Proxy to the Freepost address overleaf to arrive as soon as possible and not later than 11.00am on 18 June 2020. You may also deliver it by hand to The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during business hours.

Please see Notes overleaf for further instructions on completing and returning the form.

**If you wish to attend the AGM electronically in your capacity as a holder of ordinary shares in the capital of Saga plc, please follow the instructions set out below and in the Notice of AGM.**

### Electronic attendance:

You may attend the AGM online using your smartphone, tablet or computer. If you choose to participate online, you will be able to view a live webcast of the meeting, ask the directors questions and submit your votes in real time. To join the meeting electronically, you will need to either:

- a) Download the Lumi AGM app from the Apple Store or Google Play Store by searching for “Lumi AGM”; or
- b) Visit <https://web.lumiagm.com> from your device.

To log in to the meeting, you must have the meeting ID and your unique login ID and your pin code to hand. These can be found on the notification correspondence sent to you. The meeting ID is: **133-651-038**.

PLEASE DETACH FORM BELOW AND RETURN TO FREEPOST ADDRESS

## Saga plc AGM Form of Proxy

IVC Barcode:

Name:

Event Code:

L940A02120

Meeting ID: 133-651-038

I/We as holder(s) of ordinary shares of 1p each in Saga plc (the ‘Company’) hereby appoint the Chairman of the meeting or (see note 1)

Name of proxy:

\*Please leave this blank to appoint the Chairman – do not insert your own name.

Number of Shares proxy is appointed over:

If left blank this proxy will be applied to your full entitlement.

Please mark ‘X’ here if this proxy appointment is one of multiple appointments being made (see note 1c).

as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at 11.00am on Monday 22 June 2020 and at any adjournment thereof. I/We have indicated with an ‘X’ how I/we wish my/our votes to be cast on the resolutions set out below. I/We direct that my/our proxy will vote (or abstain from voting) as they think fit for me/us and on my/our behalf on any other matter which may properly come before the AGM or any adjournment thereof.

If you wish to vote ‘For’ all resolutions, in accordance with the Board’s recommendation, tick here  then sign and date below (see note 7).

RESOLUTIONS	Please mark ‘X’ to indicate how you wish to vote			
		For	Against	Withheld
<b>Ordinary Resolutions</b>				
1. to receive the annual report and accounts and director and auditor reports for year ended 31 January 2020		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. to approve the Directors’ Remuneration Report		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. to approve the Saga plc 2020 Restricted Share Plan		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. to approve the Directors’ Remuneration Policy		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. to re-elect Patrick O’Sullivan as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. to re-elect James Quin as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. to re-elect Orna NiChionna as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. to re-elect Eva Eisenschimmel as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. to re-elect Julie Hopes as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. to re-elect Gareth Hoskin as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. to re-elect Gareth Williams as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. to elect Euan Sutherland as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. to elect Cheryl Agius as a director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RESOLUTIONS	Please mark ‘X’ to indicate how you wish to vote			
		For	Against	Withheld
<b>Ordinary Resolutions</b>				
14. to re-appoint KPMG LLP as auditor		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. to authorise the Audit Committee to agree the remuneration of the auditor		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. to authorise the Directors to make political donations and expenditure up to a specified amount		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. to authorise the Directors to allot shares up to a specified amount		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Resolutions</b>				
18. to authorise the Directors to allot shares and sell treasury shares for cash without making a pre-emptive offer to shareholders		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. to authorise the Directors to allot shares and sell treasury shares for cash without making a pre-emptive offer to shareholders (in connection with capital investment)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. to authorise the Company to purchase its own shares		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. to authorise the Company to hold general meetings on not less than 14 days’ notice		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I would like to receive a paper proxy form for the 2021 AGM (see note 14).

If you do not wish the Form of Proxy to be seen by anyone except the Company and the Registrar, you should post it in an envelope to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA.

## Notes

1. To appoint a person other than the Chairman of the meeting as a proxy, insert the full name of the person in the space provided. A proxy need not be a member of the Company, but must attend the AGM to represent you. You can appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
  - a. To appoint the Chairman as your sole proxy in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - b. To appoint a person other than the Chairman as your sole proxy in respect of all your shares, delete the words "the Chairman of the meeting or" and insert the name of your proxy in the space provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - c. To appoint more than one proxy, you may photocopy this form. Please indicate the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please indicate by marking 'X' in the box provided if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write "the Chairman of the meeting" in the box. All forms must be signed and returned together in the same envelope.

### IMPORTANT: COVID-19

Appointing the Chairman of the meeting as your proxy, will ensure your votes are cast in accordance with your wishes given that the UK Government's current restrictions mean that neither you nor any other person you might appoint as your proxy will be able to attend the meeting in person. Appointing a proxy in this way will not prevent you from attending and voting at the AGM electronically.

2. Details of the resolutions are contained in the notice of annual general meeting and the explanatory notes (the '2020 AGM Notice'). The 2020 AGM Notice is also available at [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk) together with the 2020 Annual Report and Accounts, or copies can be requested from Link Asset Services. You are advised to read the 2020 AGM Notice before completing this Form of Proxy.
3. Unless otherwise indicated the proxy will vote as they think or, at their discretion, abstain from voting. The proxy will also have discretion to vote as they see fit on any other business which may properly come before the AGM including amendments to resolutions, and at any adjournment of the AGM.
4. To be valid, the Form of Proxy overleaf and any authority under which it was executed (or a notarially certified copy of such authority) must be deposited with the Company's Registrars, Link Asset Services, not later than 11.00am on 18 June 2020 (or if the annual general meeting is adjourned, 48 hours before the time fixed for the adjourned annual general meeting, excluding any UK

non-working days) accompanied by any power of attorney under which it was executed (if applicable). You may also deliver it by hand to The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during usual business hours or electronically using the Saga Shareholder Services Portal at [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk).

5. In the case of joint shareholders the signature of any of them will suffice, but the names of all joint holders should be shown, and the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney. A corporation may appoint more than one corporate representative.
7. If you choose to vote 'For' all resolutions by ticking the box overleaf and subsequently tick 'Against' or 'Withheld' for individual resolutions, then these selections will be honoured.
8. The Form of Proxy is for use in respect of the shareholder account specified overleaf only and should not be amended or submitted in respect of a different account.
9. The 'Vote Withheld' option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a resolution.
10. Shares held in uncertified form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual and in the 2020 AGM Notice. Shareholders wishing to vote online should visit [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk) and follow the instructions.
11. Completion and return of the Form of Proxy will not preclude you from attending the AGM electronically should you decide to do so.

### RETURNING YOUR FORM OF PROXY

12. You can return the Form of Proxy to the return address printed on the back of the form. If you do not wish the Form of Proxy to be seen by anyone except the Company and the Registrar, you should post it in an envelope to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA.
13. Please note that delivery using this service can take up to five business days. Shareholders outside the UK can reply by posting the Form of Proxy in an envelope to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, United Kingdom. You will need to pay for the postage.

### PAPER PROXY CARDS

14. Please note that we no longer send paper proxy cards by default. If you require a paper Form of Proxy, please contact our Registrar, Link Asset Services on an annual basis prior to the AGM. If you want a paper proxy card for the 2021 AGM, please tick the box overleaf and return the form as instructed.

Saga plc is registered in England & Wales No. 08804263.  
Registered office; Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE

NSL-GS1754

Business Reply Plus  
Licence Number  
RLUB-TBUX-EGUC



PXS 1  
34 Beckenham Road  
BECKENHAM  
BR3 4ZF

Dear Shareholder

19 May 2020

**Saga plc (the 'Company') – Notice of Availability  
Publication on the Saga plc website of the Annual Report and Accounts  
for the year ended 31 January 2020 and the Notice of Annual General Meeting**

Please note that the Annual Report and Accounts for the year ended 31 January 2020 and the Notice of Annual General Meeting are now available to view or download at: [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk)

The 2020 Annual General Meeting (AGM) will be held at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE on Monday 22 June 2020 at 11.00am.

**Please note that due to the social distancing measures implemented by the UK Government because of COVID-19, shareholders will not be permitted to attend the AGM in person. Instead, shareholders are strongly encouraged to join the AGM electronically and vote on all resolutions or by completing in advance an online proxy appointment form appointing the Chairman of the meeting as your proxy. For instructions as to how to join the meeting electronically, please refer to the notes in the Notice of Annual General Meeting.**

**Voting**

Please send us your vote by completing and submitting your vote online at [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk).

**PLEASE VOTE AS SOON AS POSSIBLE** and no later than 11.00am on 18 June 2020 for the Form of Proxy (or no later than 11.00am on 17 June 2020 for the Form of Direction for shares held within the Saga Shareholder Account).

To vote online you will need to log into the Saga Shareholder Services Portal or register if you have not already done so. You will need your 11-digit Investor Code as shown above to register. Once registered, you will be able to vote immediately.

Voting online prior to the meeting does not affect your right to attend the meeting electronically and vote, should you wish to do so. Please note it is proposed that voting on all resolutions at the Annual General Meeting will be conducted by way of a poll.

**Online services**

By visiting [www.sagashareholder.co.uk](http://www.sagashareholder.co.uk) and logging in or registering for the share portal, you may access the following facilities:

- Cast your proxy vote online
- View your holding and dividend payments, and get an indicative valuation
- Change how you receive your dividend payments or reinvest them to buy additional shares in Saga plc
- Update your personal details, including address and communication preferences
- Access a wide range of shareholder information including the ability to download shareholder forms.

**AGM documents on your device**

You can view, annotate and save the Annual Report and Accounts (and other important shareholder documents) on your iPad or tablet by downloading the Signal Documents App provided by Link Asset Services. This application is free of charge and found by searching for 'Signal Documents' on the App Store or Google Play (depending on your device).

We would like to take this opportunity to thank you for having consented to be informed by letter when shareholder information is published on our website.

Should you require any assistance, please call the shareholder helpline on Freephone 0800 015 5429 (within the UK), +44 (0)333 3001581 (from overseas).

Yours faithfully



Vicki Haynes  
Group Company Secretary  
Saga plc

**Note: This Notice of Availability is not a summary of the information set out in the Company's Annual Report and Accounts for the year ended 31 January 2020 and the Notice of Annual General Meeting and should not be regarded as a substitute for reading the Annual Report and Notice.**

**Saga plc**

Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

Saga plc is registered in England & Wales No: 08804263.

Registered Office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

## **Saga plc (the 'Company') – Annual Report and Accounts for the year ended 31 January 2020 and Notice of Annual General Meeting**

Please find enclosed the Annual Report and Accounts for the year ended 31 January 2020 and the Notice of Annual General Meeting.

The 2020 Annual General Meeting will be held at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE on Monday 22 June 2020 at 11.00am.

**Please note that due to the social distancing measures implemented by the UK Government because of COVID-19, registered shareholders will not be permitted to attend the 2020 Annual General Meeting in person.**

### **Voting**

This communication has been sent to beneficial owners of shares who have been nominated by their registered holders of shares to enjoy information rights in accordance with section 146 of the Companies Act 2006. **In order to vote at the forthcoming Annual General Meeting, you must issue an instruction to the registered holder of your shares.** The Company can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from you directly.

### **AGM documents on your device**

You can view, annotate and save the Annual Report and Accounts (and other important shareholder documents) on your iPad or tablet by downloading the Signal Documents App provided by Link Asset Services. This application is free of charge and found by searching for 'Signal Documents' on the App Store or Google Play (depending on your device).

Should you require any assistance, please call the shareholder helpline on Freephone 0800 015 5429 (within the UK), +44 (0)333 300 1581 (from overseas).

Yours sincerely



Vicki Haynes  
Group Company Secretary  
Saga plc

**Note: This Notice of Availability is not a summary of the information set out in the Company's Annual Report and Accounts for the year ended 31 January 2020 and the Notice of Annual General Meeting and should not be regarded as a substitute for reading the Annual Report and Notice.**

### **Saga plc**

Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

Saga plc is registered in England & Wales No: 08804263.

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